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STATEMENT OF
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BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON MILITARY READINESS
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Navy Readiness

Chairman Ortiz, Congressman Davis, and distinguished members of this subcommittee, I am privileged to appear before you today along with my Service counterparts, to testify on the readiness of our military forces. The brave men and women, Sailors and civilians, of the United States Navy continue to perform exceptionally well under demanding conditions and Congressional support remains fundamental to their success. Sustaining the combat readiness required to support the President and Combatant Commanders remains my CNO's number one priority. Your Navy remains engaged around the world, around the clock - providing the reach, precision, persistence and awareness to fight and win our nation's wars as part of the Joint force, while also maintaining units in high readiness here at home, ready to surge as needed.

INTRODUCTION

We remain a maritime nation that relies heavily on the security of the vast maritime commons. As we operate in a rapidly changing security environment, our Navy must maintain a well balanced fleet of overmatching capability and capacity to keep the sea lanes free, deter aggression, protect the interests of our nation, and reassure our allies abroad.

Before I address our current budget submission and continuing readiness challenges, I will review the many successes achieved against a challenging backdrop this past year.

2006 ASSESSMENT

Navy answered all bells in 2006, meeting the demand signal of the President and Combatant Commanders for well-trained and equipped combat forces. Your Sailors performed superbly across a broad spectrum of missions including Operation Iraqi Freedom, Operation Enduring Freedom, international disaster relief, and humanitarian missions.

Navy support to Operation Iraqi Freedom and Operation Enduring Freedom included: dedicated Carrier and Expeditionary Strike Groups, construction battalions

(SEABEES), Explosive Ordnance Disposal (EOD) teams, SEALs, port operations support units, maritime patrol aircraft, medical teams, and leadership and support for Joint Task Forces at Guantanamo Bay and the Horn of Africa, Provincial Reconstruction Teams, the detention centers at Fort Suse and Camp Bucca, and the Counter Radio-Controlled Electronic Warfare (CREW) group. On any given day, Navy forces assigned more than 25 ships and submarines, 440 aircraft, and 22,000 Sailors serving both afloat and ashore to the Joint effort.

This past summer, the Navy-Marine Corps team worked closely with the State Department in the highly successful evacuation of more than 14,000 American citizens from Lebanon. This mission showcased Navy's operational agility and logistics expertise. Navy humanitarian efforts also extended once again to our Pacific neighbors in the form of a five month deployment by the USNS MERCY. Her medical complement, working shoulder to shoulder with numerous non-governmental aid organizations, provided comfort to more than 214,000 citizens in the Philippines, Bangladesh, Indonesia, and East Timor.

Disaster relief was a major mission element in 2006. Navy continued its support to Gulf Coast residents affected by hurricane Katrina through January 2006 and responded to a call for assistance from the Philippine Government to aid in the search and rescue of victims of a mudslide in February. Continuing an effort that began in the fall of 2005, Navy continued to support the Government of Pakistan and its citizens in their recovery from a devastating earthquake.

Additionally, Navy demonstrated your resolve, with capability and partner building capacity in exercises VALIANT SHIELD, RIMPAC, and PARTNERSHIP OF THE AMERICAS.

We remain good stewards of the taxpayers' dollars. We have heightened our review and understanding of output metrics and their relationship to warfighter needs. We are looking at the cost of readiness driving out inefficiencies through application of LEAN thinking and seeking to generate increased readiness at reduced cost. Navy's continued success also hinges on our continual refinement of our operational strategies, tactics, techniques, and procedures, our improved organizational alignment, and our focus on developing 21st Century leaders.

Last Spring the CNO issued the Navy Strategic Plan (NSP) which better aligned Navy to produce the right readiness at the right cost. This framework became the foundation for the Naval Operating Concept (NOC), which co-signed by the CNO and CMC, defines the objectives and missions of the Navy-Marine Corps Team to underscore our warfighting interdependence. For our part, we submitted to Congress a new 30-year shipbuilding plan that will provide a balanced fleet of 313 ships by 2020 while sustaining and stabilizing our industrial base. Navy christened nine new ships and commissioned another two in 2006. Perhaps, the greatest enabler of our current and continuous readiness has been the ongoing refinement of the Fleet Response Plan (FRP). Throughout last year our operational/maintenance cycle for FRP sustained, on average, an overall "6+1" surge capability: six Carrier Strike Groups (CSG) available to deploy within 30 days notice and a seventh able to surge within 90 days.

2006 also saw Navy begin its transformation from a vertically oriented, administrative/business structure into a more responsive and transparent matrixed model known as the Navy Enterprise Framework. Though still maturing, the Navy Enterprise Framework will better leverage the value streams consisting of people, dollars, and materiel needed to deliver warfighting readiness to Navy Component and Combatant Commanders. This transformation extends down to the unit level, shifting our focus from a force structure focus to one that is capability focused.

Likewise, last year's Manpower, Personnel, Training, and Education merger yielded efficiencies and effectiveness in workforce management. We sustained high retention rates, met nearly all of our recruiting goals, and kept first-term attrition low - all while reducing endstrength by approximately 10,000 billets. A key enabler of our personnel readiness, Navy also focused on improving "Family Readiness" in 2006. The Navy strives to reduce the uncertainty and apprehension experienced by our Navy families in these stressful times, while strengthening the programs and resources available to support them.

CURRENT READINESS (FY 2007)

Navy's current readiness remains excellent. Congressional support has been critical in this regard and, as a result,

Navy units and individual augmentees deploy combat ready - properly trained and properly equipped. Navy stands ready to respond to security and humanitarian contingencies while continuing its present support to the Global War on Terror.

On 2 March 2007 we had 99 ships on deployment (36% of the Fleet) and 138 ships underway (50% of the Fleet) in every theater of operation. This includes six aircraft carriers and four big deck amphibious ships (LHA/LHD)(Figure 1).



Figure 1

That same day, 2,587 active and reserve Seabees, and 5,034 members of our active and reserve medical corps were serving overseas, many in combat support roles. Additionally, 757 members of the Navy Special Warfare community were deployed overseas (of 3,616 deployable), as were 247 Explosive Ordnance Disposal personnel (of 552 available to deploy), and 891 Naval Coastal Warfare/Expeditionary Security Force personnel (of 3,057 deployable).

The Navy's Individual Augmentation program is central to Navy's ability to sustain overall readiness, supporting the Global War on Terror and is a near-seamless integration of

our Active and Reserve components. Since 11 September 2001, over 42,000 Navy Reservists have been mobilized in support of the Global War on Terror (GWOT), representing over 80% of the total number of Sailors deployed on the ground in theater. On any given day, over 22,000 citizen-Sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 6,000 RC Sailors mobilized in support of OIF and OEF. Additionally, we maintain the capacity to rapidly increase contingency support with more than 28,000 RC Sailors yet to be mobilized.

This year, we will also continue to mature our enterprise approach to delivering capability-based readiness by implementing Navy's component of the Defense Readiness Reporting System (DRRS) and develop mapping for resources (Personnel, Equipment, Supplies, Training, Ordnance, and Facilities) required to demonstrate proficiency in terms of Navy Mission Essential Tasks (NMETs).

On the manpower front, in 2007 Navy will focus on earlier and targeted recruiting, accession and education incentives, and active mentoring programs to meet recruiting and retention challenges in our medical and special warfare communities. We will continue to implement the National Security Personnel System (NSPS) for our civilian work force.

As we move toward the future, Navy must implement a strategy that balances the enduring requirements for traditional Naval capabilities with those needed to squarely confront and influence the highly dynamic security environment of the 21st Century.

FY08 BUDGET REQUEST

The FY08 Navy budget reflects a commitment to properly price and fund effects-based readiness to meet the demands of the Combatant Commanders in the near term. It also delivers a proposal that balances, resets and sustains the force, stabilizes the long range shipbuilding plan, and continues to pursue aviation sustainment, recapitalization and modernization in anticipation of a new long range aviation procurement plan. Navy implemented a capabilities-based approach in developing this budget consistent with Navy's contributions to the Joint Force.

Operational readiness is the catalyst that brings Naval power to bear, enabling our forces to execute the National Military Strategy when responding to persistent and emerging threats. This budget request includes resources in the operating and maintenance accounts to deliver a "6+1" FRP posture.

SHIP OPERATIONS

The budget provides for a deployable battle force of 286 ships in FY08 including eleven aircraft carriers and 32 amphibious ships (Figure 2). FY08 marks a significant milestone as Navy is scheduled to retire its last conventionally powered aircraft carrier USS KITTY HAWK. USS GEORGE WASHINGTON will replace her as our Forward Deployed carrier in Japan. In FY08, eleven ships will be commissioned: three Guided Missile Destroyers (DDG), three Littoral Combat Ships (LCS), one Nuclear Attack Submarine (SSN), one Amphibious Assault Ship (LHD), one Amphibious Transport Dock Ship (LPD), and two Dry-Cargo Ammunition Ships (T-AKE).

	FY 2006	FY 2007	FY 2008
Aircraft Carriers	12	11	11
Fleet Ballistic Missile Submarines	14	14	14
Guided Missile (SSGN) Submarines	4	4	4
Surface Combatants	101	105	111
Nuclear Attack Submarines	54	52	52
Amphibious Warfare Ships	33	31	32
Combat Logistics Ships	30	31	31
Mine Warfare Ships	16	14	14
Support Ships	16	17	17
Battle Force Ships	280	279	286

Figure 2

The FY08 budget provides sufficient funding to steam these ships an average of 45 days per quarter while deployed and 22 days per quarter while non-deployed. This represents a change from the FY07 President's Budget request which funded 36 steaming days per quarter deployed and 24 steaming days per quarter non-deployed. The FY07 deployed steaming day mark assumed unacceptable risks to readiness and were adjusted in the FY08 submission to achieve an acceptable level of risk (45 days against a goal of 51 days). The reduction in non-deployed steaming days is the result of anticipated

improvements in training methodologies and increased reliance on simulation exercises.

The Navy's Strategic Sealift forces are resourced to provide a rapid response in delivering the initial military equipment and supplies required for a contingency. With the concurrence of USTRANSCOM, Navy's FY08 budget accepts risk in this area, moving six ships from the Ready Reserve Force (RRF) to the National Defense Reserve Fleet (NDRF). This downgrade creates a 300,000 square foot Roll On/Roll Off (RO/RO) and a 90,000 barrel petroleum capacity shortfall that will be mitigated through shipping contingency contracts to qualified ship operating companies.

SHIP MAINTENANCE

The Navy's FY08 ship maintenance budget reflects the transition of all four of its public shipyards to mission funding. This initiative is effectively supporting the Fleet Response Plan by allowing Fleet Commanders, to control maintenance priorities. Additionally, mission funding will maintain cost visibility and performance accountability leading to improved cost consciousness. The FY08 budget funds 100% of the projected work on refueling overhauls and 96% of the remaining notional requirement (Figure 3). The Nation's ship repair base, both public and private sectors, has the capacity to execute the FY07 and FY08 ship maintenance plans. Navy continues to mature its ship maintenance strategy using the SHIPMAIN process to generate continuous process improvements, One Shipyard to optimize the Nation's public and private nuclear shipyards and contractor support, Regional Waterfront Maintenance Integration to eliminate redundancy in mission and administration, and Multi-Ship/Multi-Option contracts to provide long-term vendor relationships and reduced life cycle maintenance costs achieved through improved planning.

Ship Maintenance

<i>(Dollars in Millions)</i>	FY 2006	FY 2007	FY 2008
Active Forces			
Ship Maintenance	4,276	3,826	4,416
Depot Operations Support	851	928	1,082
Total: Ship Maintenance (O&MN)	\$5,127	\$4,754	\$5,498
Percentage of Projection Funded	100%	96%	96%
Annual Deferred Maintenance	\$27	\$136	\$182
CVN Refueling Overhauls (SCN)	1,320	1,067	297
SSN Refueling Overhauls (SCN)	-	-	-
SSBN Refueling Overhauls (SCN)	288	225	230
Total: Ship Maintenance (SCN)	\$1,608	\$1,292	\$527
% of SCN Estimates Funded	100%	100%	100%

Figure 3

SHIP WEAPONS AND SENSORS

Numerous weapons and sensors programs are being worked to put the teeth in the platforms (Figure 4). The Tactical Tomahawk continues full rate production in FY08, the last year of its multi-year procurement and the first year of the Torpedo-Tube Launch (TTL) variant. Investments in advanced technologies such as the Standard Missile - Extended Range Active Missile (SM-6) and its associated Naval Integrated Fire Control - Counter Air (NIFC-CA) ensure we retain our conventional warfare advantage. Continued improvements to the Rolling Airframe Missile (RAM) and the Evolved Sea Sparrow Missile (ESSM) provide self defense battlespace and firepower against faster, smaller, and more maneuverable anti-ship cruise missiles. Additionally, several land attack research and development efforts critical to future littoral warfare continue in FY08.

Major Ship Weapons Quantities

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Tactical Tomahawk	355	394	265	257	281	278	266
Standard Missile	75	75	80	90	105	142	150
RAM	90	90	90	90	90	90	90
ESSM	100	85	86	88	0	0	0
Lightweight Torpedoes	133	133	280	297	252	271	257
Heavyweight Torpedoes	103	84	84	84	84	84	84
Trident D5 LE	0	12	24	24	24	24	0

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Figure 4

AVIATION OPERATIONS

The FY08 budget funds sufficient flying hours to support an average training index of T-2.5 while enabling the Fleet Response Plan "6+1" output measure. Navy will retain ten active carrier air wings in FY08, operating forces across its three primary mission areas: Tactical Air/Anti-Submarine Warfare (TACAIR/ASW), Fleet Air Support (FAS), and Fleet Air Training (FAT).

The flying hour program reflects higher fuel and consumable costs and lower costs for Aviation Depot Level Repairables achieved through the Naval Aviation Enterprise Fleet Readiness Centers initiative (Figure 5). Navy is taking acceptable risk in training, funding the Fleet Replacement Squadron operations at 94% of the modeled requirement. Likewise, in FY08 Fleet Air Support is funded to 98% of the notional required hours.

The Navy Reserve aviation flying hours are budgeted at 95% of the modeled requirement, assuming some risk as these forces support 100% of the intra-theater logistics airlift support and 80% of Navy's adversary operations. The Naval Aviation Enterprise has fully leveraged Active Reserve Integration (ARI) as Reserve Component Sailors conduct in-theater counter-narcotics operations and deploy overseas to conduct Electronic Warfare, Special Operations Support, Maritime Patrol, and Mine Warfare missions.

Flying Hour Program

	FY 2006	FY 2007	FY 2008	GOAL
<u>Active</u>				
TACAIR- Navy	T-2.3	T-2.7	T-2.5	T-2.5
Fleet Replacement Squadrons (%)	83%	85%	94%	94%
Fleet Air Support (%)	94%	97%	98%	98%
Monthly Flying Hours per Crew (USN & USMC)	23	17.5	18.7	18.8

Figure 5

AVIATION MAINTENANCE

The Aviation Depot Maintenance program funds repairs required to ensure operational units have sufficient numbers of airframes, engines, and repairables to support achieving aircraft ready for tasking entitlements. The FY08 budget funds this readiness-based program to ensure

deployed squadrons have 100% of their Primary Authorized Aircraft (PAA) prior to and for the duration of their deployment. Likewise the budget supports achieving the zero bare firewall engine goal, aided by engineering improvements increasing engine "time on wing". Non-deployed squadrons assume risk in both airframes and engines as depicted in Figure 6.

Aircraft Depot Maintenance

<i>(Dollars in Millions)</i>	% at		% at		% at	
	FY 2006	Goal	FY 2007	Goal	FY 2008	Goal
Active Forces						
Airframes	660		516		583	
Engines	313		294		334	
Other Components	96		85		101	
Total: Active Aircraft Depot Maintenance	\$1,069		\$895		\$1,018	
Airframes - Active Forces						
Deployed Squadrons meeting goal of 100% PAA	145	100%	143	100%	141	100%
Non-Deployed Squadrons meeting goal of 90% PAA	146	100%	128	88%	117	79%
Engines - Active Forces						
Engine TMS meeting Zero Bare Firewall goal	36	97%	36	97%	36	100%
Engines TMS meeting RFI Spares goal of 90%	56	77%	56	77%	61	85%
Reserve Forces						
Airframes	111		95		85	
Engines	40		36		36	
Total: Reserve Aircraft Depot Maintenance	\$151		\$131		\$121	
Airframes - Reserve Forces						
Non-Deployed Squadrons meeting goal of 90% PAA	69	100%	51	84%	42	74%
Engines - Reserve Forces						
Engine TMS meeting Zero Bare Firewall goal	21	100%	21	100%	20	100%
Engine TMS meeting RFI spares goal of 90%	36	86%	36	86%	36	88%

Note: Totals may not add due to rounding.

Figure 6

The Naval Aviation Enterprise (NAE) AIRSpeed strategies continue to increase the return on your investment, focusing on the efficient production of effective cost-wise readiness. Recent F/A-18 AIRSpeed projects have resulted in AIMD making improvements in engines (reduced turn around time from 83 days to 12 days), avionics (reduced turn around time in the radar shop from 14 days to 2 days), and life support (reduced Packet Radion Unit repair from 90 minutes to 30 minutes).

AVIATION WEAPONS AND SENSORS

The FY08 Aviation Weapons programs focus is on arming the warfighter with lethal, interoperable, and cost-effective

weapons systems (Figure 7). Navy preserves its air superiority in the short range air-to-air missile arena with continued procurement of the AIM-9X Sidewinder missile. The AIM-9X enhancements complement improvements to the data link and electronic protection of the Advanced Medium Range Air-to-Air Missile (AMRAAM). The FY08 budget also continues incremental improvements in the procurement of the Joint Direct Attack Munition (JDAM) and Joint Standoff Weapon (JSOW) precision guided munitions.

Major Aviation Weapons Quantities

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
JSOW	390	421	504	521	541	530	552
AIM-9X	174	184	205	202	200	220	221
JDAM	3,400	1,145	850	850	500	0	0
AMRAAM	128	79	97	99	90	91	94

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Figure 7

The Organic Airborne Mine Countermeasures (OAMCM) program continues development of five systems for the Littoral Combat Ship (LCS) Mine Warfare (MIW) Mission package. Currently, the AN/AQS-20A Mine Hunting Sonar (IOC FY07) is completing integration testing on the MH-60S and will be available to support the inaugural LCS deployment in FY08. The other OAMCM systems include the Organic Airborne and Surface Influence Sweep system (OASIS)(IOC FY08), Airborne Mine Neutralization System (AMNS)(IOC FY09), Rapid Airborne Mine Clearance System (RAMICS)(IOC FY10), and the Airborne Laser Mine Detection System (ALMDS)(IOC FY11).

EXPEDITIONARY OPERATIONS

Navy continues to place significant emphasis on its existing and emerging expeditionary warfare capabilities as it seeks to strengthen available forces for Phase Zero and Phase V operations. Established in January 2006, the Navy Expeditionary Combat Command was formed as the functional commander for Explosive Ordnance Disposal (EOD)/Mobile Diving and Salvage (MDS), Naval Coastal Warfare (NCW), Naval Construction Forces (NCF), Riverine Forces, Navy Expeditionary Logistics Support Group (NAVELSG), Expeditionary Combat Readiness Center (ECRC), and Combat Camera. NECC combines the Navy's existing and new expeditionary forces under a single commander to

provide the Joint Force Maritime Component Commander (JFMCC)/Navy Component Commander (NCC) with the capability to conduct operations across the full spectrum of expeditionary operations, including maritime security operations; theater security cooperation support; security assistance; shaping operations; and stability, security, transition, and reconstruction (SSTR) operations.

Based on operational requirements, NECC will deploy mission-specific units or multi-mission integrated adaptive force packages to fulfill JFMCC/NCC demands by using both the existing solid foundation of core capabilities in the Navy Expeditionary Force and emerging new mission capabilities. Combining these forces under a unified command structure increases the overall readiness and responsiveness of the Navy to support existing and evolving irregular warfare missions in major combat operations (MCO), Maritime Security Operations (MSO) (also referred to as Global War on Terrorism or GWOT), or maritime homeland security/defense (M-HLS/D).

EXPEDITIONARY MAINTENANCE AND PROCUREMENT

The FY08 budget also provides funds for critical construction and force protection equipment for the Naval Expeditionary Combat Command (NECC). Predictably, the equipment used by Naval Expeditionary Combat Command (NECC) units, such as the Seabees, EOD, and NCW, is wearing out at accelerated rates due to operations in Iraq, Kuwait, Horn of Africa and Afghanistan. Moreover, Seabee and Explosive Ordnance Disposal units deployed to Iraq and Afghanistan require improved self-protection against improvised explosive devices (IED). Ongoing operations in Iraq have demanded new vehicles to protect troops against the array of explosive devices they encounter. Mine Resistant, Armor Protected (MRAP) vehicles have been developed to better withstand these threats, and are being delivered to the force, but more are required.

EXPEDITIONARY WEAPONS AND SENSORS

Over \$20M in the FY-07 Full Supplemental is going towards the purchase of M4A1 carbines as phased replacements for existing 5.56MM rifles. Weapons accessories, vital to Expeditionary sailors, also require replacement. These

accessories include aim point mounts, scopes, grips, rail assemblies, as well as an assortment of laser aiming devices and night vision equipment.

Preparing Expeditionary Forces to fight the Global War on Terror requires significantly more ammunition than was previously identified. In fact, both the increased mission and expanding force structure have led to a greater than 400% increase in the requirement for small arms and crew-served weapon ammunition compared to FY05.

MANPOWER, PERSONNEL, TRAINING AND EDUCATION

Recruiting, developing, and retaining 21st Century leaders is central to our continued success and remains one of the CNO's top priorities. This effort spans the Total Force - Sailors, Civilians, and Contractor Support staff. The primary tools at our disposal include compensation, promotion opportunity, health care, housing, operational and personal tempo, and quality of life/quality of service programs. Navy also remains mindful of the changing demographics of the American population and is taking proactive steps to ensure it has access to the full range of the nation's talent. These efforts combine to produce the *right* person for the *right* job at the *right* time and place with the *right* education and skill set. This push is the backdrop to continuing personnel reductions resulting from increased efficiencies ashore and a reduction in manpower intensive force structure (Figure 8).

Active Navy Manpower Trend

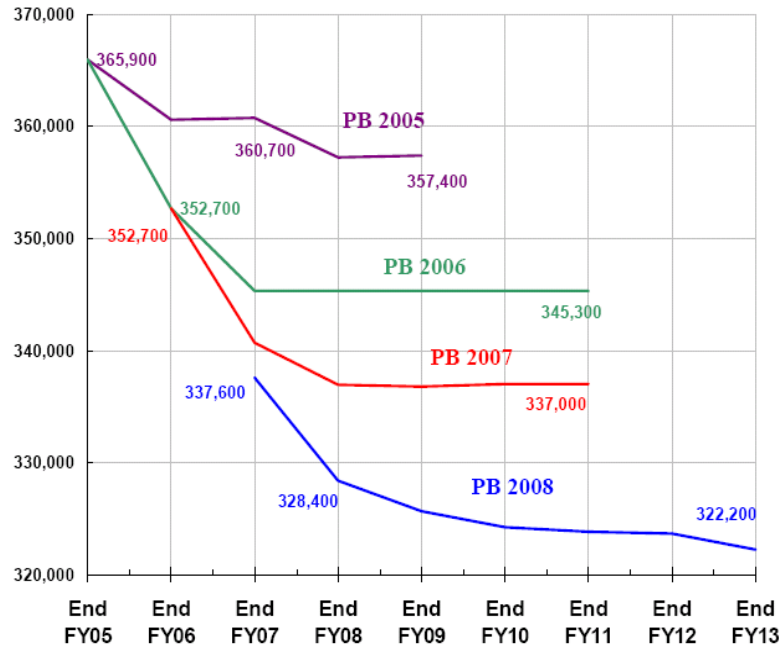


Figure 8

While we met individual recruiting and retention goals for most ratings and designators in the active component for FY06, our engagement in the long war has increased operational tempo (OPTEMPO) and clearly stressed the readiness of GWOT-centric communities. We have been, and continue to be, concerned about the long-term strength and health of these communities. We have identified programs to help address the challenges, and we are optimistic about meeting future commitments.

We identified the need to expand the number of SEABEE battalions and enhance their reserve mobilization plans. As a result, for 2007, Navy added a ninth Active Component (AC) NMCB. We are also pursuing a detailed, phased remobilization plan for use by the Reserve Component (RC) NMCB in FY09. We believe this integrated deployment plan for the NCF is sustainable through FY14.

Our Naval Special Warfare (NSW) and Naval Special Operations (NSO) communities not only face the pressures of high OPTEMPO, but are further stressed by specific recruiting and retention challenges. Navy doubled the size of the recruiting force whose primary mission is NSW/NSO accession, increased Enlistment Bonuses for each of the communities, implemented initiatives in physical training preparedness, and assigned SEAL Motivators for

all 26 Navy Recruiting Districts (NRD) to test and mentor potential NSW/NSO applicants to improve recruiting and retention in the NSW/NSO communities. Additionally, Navy's senior SEAL officer and CNRC are heading a SEAL Working Group (SWG) to address current and future SEAL recruiting issues.

We continue to miss end strength targets for our health professional communities resulting in shortages in critical wartime medical subspecialties. In the AC, we achieved 70 percent of Medical Corps (MC) accession goal, 75 percent of Dental Corps (DC) goal, 83 percent of Medical Services Corps (MSC) goal, and 92 percent of Nurse Corps (NC) goal. The Health Professions Scholarship Program (HPSP), the student pipeline for the majority of Navy physicians and dentists, is cause for concern. MC HPSP recruiting achieved just 66 percent of goal. DC HPSP recruiting achieved 76 percent of goal. In the RC, we met 24 percent of MC accession goal, 46 percent of DC goal, 29 percent of MSC goal, and 85 percent of NC goal. We are much more optimistic with our recruiting efforts of Hospital Corpsman (HM). We met 99 percent of AC enlisted HM recruiting goal and 94 percent of RC enlisted HM recruiting goal.

Retention beyond the first career decision point is a significant challenge for the Dental Corps. More than 70 percent of Dental Officers leave the Navy at this point. Navy has funded, and is about to implement, a Critical Skills Retention Bonus (CSRB) for General Dental Officers and is assessing offering similar bonuses to other health professionals. Additionally, Navy created an extremely successful incentive package for the Nurse Corps by providing bonuses direct accessions (DA) combined with the Health Professional Loan Repayment Program (HPLRP). We anticipate that Nurse Corps will meet its direct accession goal for the first time in four years.

We appreciate Congressional support for the numerous Medical Recruiting and Retention incentive enhancements enacted in the FY07 NDAA. Such enhancements, coupled with an increase of over \$21M in medical special and incentive pays between FY06 and FY07 are expected to contribute in a significant way to attainment of medical recruiting and retention goals.

Because the GWOT is truly global and stretches far beyond Iraq and Afghanistan, Navy continues to focus significant effort on transforming and enhancing our expertise in foreign language, regional expertise and cultural awareness. Navy implemented a Language, Regional Expertise and Culture (LREC) strategy that galvanizes and aligns related efforts across the Navy Total Force. We surveyed existing language proficiency within the workforce, tripled bonus rates for language competencies, initiated a focused effort in heritage recruiting, established a new Foreign Area Officer (FAO) community, and implemented training and education programs in regional issues.

The Naval Post Graduate School (NPS) Regional Security Education Program, which deploys faculty to carrier and expeditionary strike groups underway, was expanded in scope and fully funded across the Future Years Defense Program (FYDP). The newly established Center for LREC in Pensacola, Florida, coordinates delivery of culture and survival-level language training for individual and unit deployers.

FACILITIES

Power projection of our deployed and forward deployed naval forces rely heavily on a strong and efficient shore infrastructure foundation. Navy's Ashore Vision 2030 is our roadmap for transforming the Navy shore infrastructure over the next 25 years. This strategy is fully aligned with the Congressionally-mandated Base Realignment and Closure (BRAC) process.

The Navy's FY08 MILCON investment strategy focuses on:

- Providing the infrastructure necessary to support new weapons systems and platforms
- QOL initiatives to improve training and quality of service
- Investment in utility infrastructure in Guam that supports existing infrastructure separate and apart from the Defense Policy Review Initiative (DPRI)
- Recapitalizing critical, operational facilities

The FY08 Military Construction-Navy (MCN) budget requests appropriations of \$1,126M that includes \$487M for fifteen projects at ten different Navy Installations supporting

new weapons platforms and systems, \$109M for three QOL initiatives to improve training and quality of service, \$139M for four utility infrastructure projects in Guam and Diego Garcia, \$282M for eleven projects in ten areas to recapitalize critical operational facilities, and \$22M for three projects in Djibouti that will provide essential infrastructure for CENTCOM's Forward Operating Base for Commander, Joint Task Force Horn of Africa (CJTF HOA).

The FY08 budget reflects the "end state" of programming resources to eliminate inadequate military family housing. Our Family Housing request of \$430M supports the operations, maintenance, and construction of both Navy-owned, leased and public-private venture housing. It includes \$97.7M for family housing construction and improvements, and \$332.4M for the operation, maintenance, and leasing of Navy family housing. The FY08 operations and maintenance requirements reflect a decrease of \$114M from FY07, due primarily to CONUS family housing privatization actions.

Navy's FY08 request of \$47.2M for Bachelor Housing construction reflects our commitment to improve living conditions for unaccompanied Sailors. The FY08 budget request addresses three goals: ensuring Shipboard Sailors have the opportunity to live ashore when in Homeport; eliminating communal bathroom facilities; and, ensuring bachelor housing meets today's privacy standards. As with our Family Housing, to achieve these goals, we are relying on the use of Public Private Venture (PPV) authorities, construction (where PPV is not feasible), and community housing (for our single Sailors E4 and above). Through the FY07 program, projects are funded to eliminate over 99 percent of bachelor housing spaces with communal bathroom facilities for permanent party personnel. Construction to eliminate the remaining 38 spaces is programmed for FY09.

In FY06 both the Basic Allowance for Housing (BAH) account and the Facilities, Sustainment, Restoration and Modernization (FSRM) account were moved from the Defense Bill to the Military Construction, Quality of Life, and Veterans Affairs Appropriations Bill for FY07. In so doing, Congress restricted Navy's flexibility to address emergent requirements that directly affect our Sailors' quality of life and our overall readiness. We strongly

recommend that appropriations be restored to the traditional accounts that afforded Navy sufficient flexibility to manage them efficiently.

RESET THE FORCE

We remain a nation at war - a Long War against violent extremists in which naval forces provide a significant part of the worldwide rotational military presence and an increasing portion of the required support for ground units in OPERATIONS ENDURING FREEDOM/IRAQI FREEDOM (OEF/OIF). While overall Navy current readiness remains excellent, one challenge we face today is to sustain our present capability and enhance our ability to conduct non-traditional missions in order to ensure continuity in the projection of naval power and influence.

Navy's support of OIF, OEF, and the GWOT continue to require a higher OPTEMPO than was planned during peace-time operations. In the near term this translates to greater operational cost (maintenance, parts, and fuel). Longer-term impacts are under close evaluation, but ships, aircraft and ground equipment returning from the war will require depot-level attention to remain responsive to emerging threats.

Past supplemental funding has mitigated some of the Navy's costs, but it has been focused more on the "costs of war" than resetting the force. The FY07 Title IX supplemental request included \$1.0 billion in Navy reset that was allocated against the highest priority requirements. The FY07 supplemental request includes \$2.2 billion towards Navy reset requirements. The FY08 GWOT request includes \$2.1 billion of Navy reset requirements.

AVIATION

The main focus of aviation reset costs is replacement of aircraft lost in the OIF/OEF Theater of Operations as well as aircraft "stressed" due to excessive (beyond design) use in GWOT operations. Additionally, modifications / upgrades ensure capabilities are preserved or new required capabilities are included to meet operational commanders' GWOT requirements.

One third of the Navy's legacy TACAIR fleet, F/A-18 A-D series aircraft, is currently operating beyond design

limits, and the bulk of the fleet, F/A-18 C/D series aircraft, are operating at an average flight hour expenditure rate 30% greater per year than planned.

Similarly, the entire EA-6B fleet is operating at an average of 120% design Estimated Service Life (ESL) (an average aircraft age of 24 years.) The EA-6B was designed and planned to be in service for 20 years.

The P-3 and EP-3 fleets have approached fatigue life expended limits, and are now being closely monitored under a "hazardous risk index" program. The average age of our P-3 fleet is 27.6 years and the average age of our EP-3 fleet is 33.6 years. Both aircraft were expected to serve 30 years.

The FY 2007 Supplemental request contains \$825 million in aviation reset, and the FY 2008 GWOT Reset request contains \$1,136 million. Figure 9 below lists the major Navy aviation reset end-items contained within both supplemental requests. This list is not all inclusive.

Major Aviation Reset End Items in FY07 and FY 08 Reset	
<i>FY07 Supplemental</i>	<i>FY08 GWOT Reset</i>
6 - EA18G	12 - F/A-18 E/F
ICAP III Upgrade	6 - MH-60R
Low Band Transmit (LBT)	3 - MH-60S
Data Link for ATFLIR pods	ICAP III Upgrade
USQ-113 Upgrade	Low Band Transmit (LBT)
Add'l Tactical Common Data Link Sys	GPS & Radio upgrades
	EA-6B software upgrade

Figure 9

GROUND EQUIPMENT/CONSTRUCTION FORCES

Navy Expeditionary Combat Command (NECC) provides task-organized combat support and combat service support forces with sufficient capability and capacity to meet the requirements for Major Combat Operations, the Global War on Terrorism (GWOT) and homeland defense.

Seabee Civil Engineer Support Equipment (CESE) in CENTCOM is being used an average of 14 times more than in a peace-time deployment. The OPTEMPO of some equipment, like generators, is 50 times greater than projected (Figure 10). The high temperatures, airborne dust and

harsh road conditions experienced in theater are also contributing to the rapid degradation of equipment.

Increases in Utilization for Essential U.S. Navy Seabee Equipment Employed in OIF	
CATEGORY	OPTEMP Ratio OIF/Pre-OIF
MTVR	2:1
Grader	5:1
Dump Truck 15 Ton	12:1
HMMWV	12:1
Wheeled Loader	13:1
Generator 30 KW	22:1
Well Drilling Rig	41:1
Water Distributor 2000 Gallon	43:1
Generator 60 KW	54:1

Figure 10

The EOD OPTEMPO in direct support of counter IED missions has increased by a factor of 40 compared to pre OIF/OEF (Figure 11). Consequently, associated standard operating equipment used to "render safe" these terrorist devices such as remote control vehicles, Bomb suits, radiographic imagers, special explosive driven neutralization tools and armored vehicles are being consumed and destroyed at a much higher rate than initially planned.

Increases in Utilization for Essential U.S. Navy EOD Equipment Employed in OIF	
CATEGORY	OPTEMP Ratio OIF/Pre-OIF
EOD PGI	40:1
Bomb Suits	40:1
Dive gear/compression	20:1
NBC	20:1
Surface Ordnance/Demo	35:1
Comms Gear	40:1
HMMWV	25:1
Generators 15/30KW	25:1
Robots	80:1
RCV	60:1
JERRV	100:1

Figure 11

The FY07 Supplemental request contains \$461 million in ground equipment reset, and the FY08 GWOT Reset request

contains \$560 million. Figure 12 provides a list of major Seabee and EOD end-items contained within both supplemental requests. This is not all inclusive.

EOD & Seabee Major Ground Equipment Reset End-Items in FY07 and FY 08 Reset	
<i>FY07 Supplemental</i>	<i>FY08 GWOT Reset</i>
389 - MTRV (Seabee)	214 - MRAPs (Seabee)
540 - HMMWVs (Seabee)	200 - HMMWVs (Seabee)
194 - Earth Moving Equip (Seabee)	39 - Trucks (EOD)
49 - HMMWVs (EOD)	
95 - MRAP (EOD)	
52 - Trucks (EOD)	
24 - 60 KW Generator	

Figure 12

WEAPONS / AMMUNITION

With the direct support to combat forces comes an increased need to replace ordnance (JSOW, Tomahawk, SLAM-ER) expended during OIF/OEF and to replace unserviceable small arms and weapons. Additionally, an increase in training requirements to match the front line roles of Seabee and EOD units increased ammunition requirements for the training, sustaining and deploying of these Sailors. This increased use of weapons coupled with the harsh desert and maritime conditions on deployment, as well as decreased parts support for older weapons models, are accelerating wear of barrels and other components, necessitating greater than expected required replacement.

The FY07 Supplemental request contains \$227 million in weapons and ammunition reset, and the FY08 GWOT Reset request contains \$209 million. Figure 13 provides a list of major end-items contained within both supplemental requests. This list is not all inclusive.

Major Weapon and Ammunition Reset End Items in FY07 and FY 08 Reset	
<i>FY07 Supplemental</i>	<i>FY08 GWOT Reset</i>
30 - JSOW	123 - Tomahawk
60 - MK 38 Mod 2 Gun Mounts	1 - AMRAAM
Replace/provide var small arms, wpns	9 - SLAM-ER kits
	Replace/provide var small arms, wpns

Figure 13

DEPOT MAINTENANCE

As a rotational force, Navy's maintenance strategy incorporates organic, intermediate, and depot level repairs to sustain equipment as needed to achieve its combat capability across the span of its expected service life. The unique operating environment and wartime OPTEMPO of our current conflict results in accelerated maintenance costs at all repair levels.

All levels of maintenance, including depot level maintenance, required to return the equipment to a ready for tasking status following its redeployment is characterized as a reset maintenance requirement. Reset maintenance requirements are dynamic when considering the possible variance in battle-damaged equipment and changing strategies of both friendly and insurgent forces.

The FY07 Supplemental and FY08 GWOT Reset request funds for aircraft, ships and support equipment for maintenance performed at the depot level facility, to include cost to overhaul, clean, inspect, and maintain organic equipment to the required condition at the conclusion of the contingency operation or unit deployment. Major components include airframe rework, engine rework, aeronautical components, ship operating systems, ground command and control equipment, and countermeasures.

CHALLENGES/CONGRESSIONAL SUPPORT

ASW/SONAR

Submarines with improving stealth and attack capability - particularly modern diesel attack submarines - are proliferating world-wide at an alarming rate. Locating these relatively inexpensive but extremely quiet boats presents our Navy with a formidable challenge. Navy is pursuing a distributed and netted approach to ASW.

- ASW Weapons and Sensors. Some of the key ASW programs we must continue to develop and field as quickly as possible include: the Deployable Distributed Autonomous System (DADS); the Reliable Acoustic Path Vertical Line Array (RAPVLA); the Surface Ship Torpedo Defense system (SSTD); the Aircraft Carrier Periscope

Detection Radar (CVNPDR); and, the High Altitude ASW Weapon Concept (HAAWC).

- SONAR restrictions. ASW is a very complex and challenging warfighting competency in which to achieve and sustain the required level of expertise. Therefore every opportunity we have to gain and maintain proficiency at the ship/unit level, and every opportunity we have to integrate units in complex scenarios is crucial to our readiness. Unfortunately, our ability to train in the same manner in which we fight is under attack in public forums, including the courts. Thus far, we have seen little scientific basis for the claims lodged against the Navy. However, these allegations present the potential for severe restrictions on our continued ability to train effectively, as we saw in RIMPAC '06 wherein we lost three days of valuable ASW training with active sonar because of a court restraining order. Navy is currently executing a comprehensive plan of action to cover all our at-sea training areas with environmental compliance documents by the end of 2009. We are committed to maintaining an open dialogue, continuing to advance our scientific understanding of the impacts of sonar on marine mammals, and complying with the relevant statutes. We have consistently made this clear as an organization in our debate on this issue. Maintaining proficiency in ASW is a daily challenge, and while our long-term compliance documents are being developed, we cannot afford to stop training. We owe it to our Sailors to ensure they receive the training they need to fight and win.

The Marine Mammal Protection Act (MMPA) requires permits for activities that may affect marine mammals. This includes military activities, including certain Navy activities at sea. The National Defense Authorization Act of 2004 included a provision that authorizes the Secretary of Defense to grant exemptions to the MMPA for certain military activities critical to our national defense. On 23 January 2007, the Deputy Secretary of Defense granted Navy a National Defense Exemption (NDE) for two years covering mid-frequency active (MFA) sonar activities for major exercises and in major operating areas, as well as the use of Improved Explosive Echo Ranging sonobuoys (IEER). The NDE will help Navy continue to

conduct the sonar training necessary for our national defense while protecting marine mammals through established mitigation measures.

EXPEDITIONARY WARFARE

Naval Expeditionary Combat Command (NECC) is developing into a true force of choice in phase zero (pre-conflict) and phase V (reconstruction) operations, and as a vital part of our nation's long war against terrorism. Included in the Naval Expeditionary Combat Command today are 30,363 Active and Reserve component Sailors including 15,339 in the Naval Construction Force, 6,557 in Naval Coastal Warfare, 3,607 in the Navy Expeditionary Logistics Force, 2,482 in Explosive Ordnance Disposal, 712 in the Riverine Force, 591 in the Navy Expeditionary Guard Battalion, 441 in Visit Board Search and Seizure/Intel, 431 in the Maritime Civil Affairs Group, 85 in Combat Camera, 68 in the Expeditionary Combat Readiness Center, and 50 in the Expeditionary Training Group. All new forces - Riverine, Expeditionary Training Group, Maritime Civil Affairs and Maritime Expeditionary Security Force - will meet full IOC objectives in FY2007. Riverine will deploy its first squadron to Iraq this month to provide area security at Haditha Dam and interdiction operations on the Euphrates River. Your continued support of our Riverine capability and capacity is vital. Our second Riverine Squadron was established on 2 February, 2007 and our third Squadron will be stood up this June.

BALLISTIC MISSILE DEFENSE

Missile tests on the Korean Peninsula and by Iran, along with the proliferation of ballistic missile technology underscores the growing need for a robust, sea-borne ballistic missile defense system. Last year, the Navy made further progress on our Aegis Ballistic Missile Defense (BMD), the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium range ballistic missiles with ship-based interceptors (SM-3). The Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM-2 BLK IV missiles from Aegis BMD capable ships.

ELEVEN CARRIER FORCE

The 30 year shipbuilding plan recognizes that as a result of the retirement of USS ENTERPRISE in FY13, the number of aircraft carriers will drop to ten for a period of approximately 30 months until the USS GERALD FORD enters active service. Legislative relief is required from the FY07 National Defense Authorization Act requiring a carrier force of eleven. In developing the 30 Year Shipbuilding Plan, Navy conducted extensive analysis that concluded the temporary drop to a carrier force of ten from FY13 through FY15 is an acceptable, though moderate, risk. A carrier force of eleven is recognized as minimum risk over the long run.

USS GEORGE WASHINGTON

The USS GEORGE WASHINGTON will relieve USS KITTY HAWK as our Forward Deployed Naval Forces CVN in Japan in FY08. This transition, vital to our security interests in the Asian Pacific region, needs to be fully funded.

MINE WARFARE

Legislative authority for planned ship transfers are an important aspect of inter-operability with the navies of our allies. These transfers also contribute to the 1000 Ship Navy vision by building partner nation capacity, while reducing the taxpayer costs of maintaining or disposing of decommissioned ships. Navy seeks authority to transfer coastal mine hunting ships (MHCs) to Lithuania and Turkey. Limited in speed and endurance, the MHCs were designed as non-deploying assets. With no sweep capability and without redundant engineering and combat systems equipment, they are constrained in their ability to conduct mine clearance operations. For the MHCs to provide utility in a Homeland Defense role, they would have to be strategically distributed across the United States which would drain limited fiscal and manpower resources and hamper the Navy's ability to field a responsive and capable MCM force. These ships are scheduled for decommissioning in FY08 and, if authority is timely, they can be "hot transferred" which is less expensive for both the United States and the recipient.

STRATEGY FOR OUR PEOPLE

Expanding capability-driven workforce requirements and fiscal constraints require the Navy to deliver a more capable, versatile force. The challenges we face in shaping the force are considerable. To develop 21st Century Leaders, we seek congressional support in the following areas:

- **Health Care Cost Control.** By 2009 our Navy will not only be smaller, it will be leaner. Health care costs continue to rise at a rate disproportionate to inflation. DoD TRICARE costs have more than doubled in five years from \$19 billion in FY01 to \$38 billion in FY06, and analysts project these costs could reach \$64 billion by 2015 - more than 12% of DoD's anticipated budget (versus 8% today). Yet this problem extends beyond our active duty, or even our reserve, health care costs. One of the significant drivers of this increased cost is the TRICARE for Life program developed for the 2001 National Defense Authorization Act. We could not have anticipated the growing number of retirees and their dependents, not yet Medicare eligible, who have chosen or have been driven to switch from private/commercial health care plans to TRICARE in order to better cope with rising health care costs. Despite greatly increased utilization rates, TRICARE Premiums have not changed with inflation since the program began in 1995, so that total beneficiary cost shares have declined substantially - 27% of total benefit cost in 1995 while 12% in 2005. In fact, from FY08 to FY13, Navy's accrual costs for future retirees alone are expected to increase by \$4B (a 16% increase) despite a flattened and stabilized end strength over that same period of time. There is no longer any tolerance for inefficiencies in our manpower system and very little flexibility in our MPN account. This has a carry-over effect by further pressurizing our procurement accounts. We again urge Congress to implement the initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.
- **DOPMA Relief.** While Navy end strength is reduced and stabilizes across the FYDP, the demand continues to increase for experienced officers to fill joint

requirements, core mission areas and jobs related to the war on terror. Navy is already operating at or near control grade limits imposed by Title 10, resulting in billet-grade suppression. Navy currently suppresses 106 captain, 279 commander, and 199 lieutenant commander billets at a lower pay grade (a total of 584 control grade billets). If Title 10 limits were increased by five percent, Navy would be authorized to grow 131 captains, 304 commanders, and 478 lieutenant commanders. Funding to current control-grade requirements would give Navy the authority to grow 25 captains, 25 commanders, and 279 lieutenant commanders as future control-grade requirements emerge. This legislation is critical to Navy's ability to carry out the National Military Strategy.

UNITED NATIONS LAW OF THE SEA CONVENTION

To interact more effectively with our maritime partners, it is time to ratify the Law of the Sea Convention. Robust operational and navigational rights codified in the Law of the Sea Convention must be preserved for the Navy to continue to maximize its ability to execute the National Strategy for Maritime Security. Accession to the Convention is of critical importance to global naval maritime and over flight mobility.

RESEARCH AND DEVELOPMENT

To achieve *the speed of war* Navy is pursuing Innovative Naval Prototypes (INPs) - revolutionary "game changers" for future naval warfare. These initiatives have resulted in the development of an electro-magnetic rail-gun prototype; new concepts for persistent, netted, littoral anti-submarine warfare; technologies to enable Sea-basing; and the naval tactical utilization of space.

BRAC

One area of particular concern is our execution of Base Realignment and Closure (BRAC), which is required to be fully funded and completed by September 15, 2011. The Continuing Resolution (CR), House Joint Resolution 20, was voted into Public Law 110-5 in February 2007. This law decreased Department of Defense BRAC V funding from \$5.6B request to \$2.5B. The FY07 Department of the Navy

BRAC budget request was for \$690M of which \$674.9M is for Navy BRAC. The amount allocated to Department of the Navy for BRAC under the Continuing Resolution was \$67.647M. Of the amount allocated, \$27.464M has been obligated to date, primarily for BRACON (\$18.6M) and O&M costs (\$8.6M). The amount that would be the Department's "fair share" of the year-long CR would be \$305M. Navy's "fair share" of the \$305M under the year long CR is 97.9% or \$298.6M

This reduction will devastate a program entering the critical stages of execution. Failure to fully fund this account will significantly impact the funding profile and potentially negate our ability to complete the program by the legislatively mandated deadline of September 2011. It will also delay, or in some cases negate, our ability to harvest savings and reap funds from land sales and transfers. These savings are critical to the out year funding of the program.

In addition to reducing BRAC V funding, Public Law 110-5 represents a \$409M shortfall in Navy's Basic Allowance for Housing account. Both of these actions will impact the morale and welfare of our Sailors and civilian personnel by affecting personnel actions, including transfers and reductions. Negotiations with communities and Local Reuse Authorities will have to be suspended or significantly altered as we establish new BRAC execution timelines. BRAC Construction (BRACON) actions will be delayed, resulting in increased future construction costs and delayed realignment and closure actions. This will also force us to expend funds to maintain facilities that were to be closed or realigned, thus impacting other programs and negating savings.

Under the proposed funding, we can already project:

- At NSA New Orleans, we will be forced to delay eight administrative and community support projects (\$94.1M) and delay moves to Federal City, resulting in disjointed fleet and family services for the assigned military and civilian personnel. \$75M in projected savings over the FYDP will be delayed or negated.
- Four operational support projects at NWS Seal Beach Detachment Concord will be delayed (\$10.8M), thus precluding our ability to make a timely transfer of property. Transfers of civilian personnel will be

delayed and a projected savings of \$16M over the FYDP will be negated.

- The realignment of the Naval Warfare Development Center at Norfolk (\$28.4M) would be delayed, inhibiting improvements of fleet and joint experimentation warfare innovation and dissemination of doctrine to supported fleet assets.
- Navy Operational Support Center (NOSC) projects (\$30.1M) at Rome, GA and Robins AFB would be delayed, thus delaying the transfer of property at NAS Atlanta to the Georgia National Guard and precluding our ability to fully harvest \$101M in savings.
- Delays in funding in support of the realignment of enlisted medical training from three sites across the country to a single site at Fort Sam Houston, TX will not only impact the \$6.2M in savings we expected to accrue from this action, but will also impact other Services' ability to realign their training.

CONCLUSION

The security challenges of the 21st Century are complex and varied. They range from the irregular, asymmetric threats of terrorists, self proclaimed Jihadi organizations, and rogue nation states, to the conventional and highly sophisticated military technologies of China, North Korea, and Iran. Our Navy's capabilities and capacity must be balanced to address these diverse strategic challenges.

Our Navy provides a high return on your investment, costing the taxpayers less than 1% of the GDP to support. Though we are increasingly stretched, the Navy is in great shape and our people are remarkable. But as we strive to sustain combat readiness, build a fleet for the future and develop 21st century leaders we cannot allow ourselves to take this for granted. With our ground forces stretched thin in Iraq and Afghanistan, we must maintain our resolve to sustain a strong Navy now and ensure future successes after they return home.