

STATEMENT OF
THE HONORABLE RAY MABUS
SECRETARY OF THE NAVY
BEFORE THE
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Written Congressional Testimony of the Honorable Ray Mabus
Secretary of the Navy
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Chairman Skelton and Congressman McKeon, it is a pleasure to be here today with the House Armed Services Committee as the representative of the nearly 900,000 Sailors, Marines, and civilians that make up the Department of the Navy. The Chief of Naval Operations, the Commandant of the Marine Corps and I are privileged to lead some of the best men and women in the country, who are selflessly serving the United States all around the world in support of our safety, our security, and our national interests.

The Navy and Marine Corps remain the most formidable expeditionary fighting force in the world. We are America's "Away Team". The mission and experience of our team is well matched to the multiple and varied challenges that threaten our nation's security and global stability.

Today the Navy and Marine Corps are conducting operations across the spectrum of military operations, from major combat and ballistic missile defense to humanitarian assistance and disaster relief.

Fifteen thousand Marines are at the forefront of our nation's defense, serving in and around Helmand Province, Afghanistan. By spring this number will grow to almost 20,000. It is a testament to the responsiveness and combat capability of the Marine Corps that the first troops to depart for Afghanistan in the wake of the President's December 1st

announcement were 1500 Marines from Camp Lejuene, North Carolina. The new arrivals, who deployed before the end of last year, joined the Second Marine Expeditionary Brigade already in place. Together they are taking the fight to the Taliban and al-Qaeda in their sector and assisting the Afghan Provincial Government in reestablishing control. General Conway describes their capability as a “two-fisted fighter,” capable of simultaneously combating an adaptive and insidious insurgency among the Afghan civilians while maintaining the skill set to conduct major combat operations.

The Navy in Afghanistan is contributing Special Operations Forces, Explosive Ordnance Disposal Teams, Seabee civil engineering assets, all of the airborne expeditionary tactical Electronic Warfare capability, medical and intelligence professionals, and logistical support. From our carriers operating in the Indian Ocean, we are launching a significant percentage of the close air support that watches over our Marines and Soldiers on the ground. The Navy has over 12,000 Sailors on the ground in Central Command supporting joint and coalition efforts in both Iraq and Afghanistan and another 9000 Sailors at sea supporting combat operations.

The Navy and Marine Corps today are globally engaged in a host of other security and stability operations. In our cruisers and destroyers, the Navy has built a strong ballistic missile defense force. These multi-mission ships routinely deploy to the Mediterranean, the Arabian Gulf, and the Western Pacific and extend an umbrella of deterrence. Across the Future Years’ Defense Program we will expand this mission and operationally

implement the President's decision in September 2009 to focus on sea-based ballistic missile defense.

That capability is complemented by the continued preeminence of the ballistic missile submarines in our strategic deterrent force, who operate quietly and stealthily on station every day of the year.

In the Gulf of Aden and Western Indian Ocean, Combined Task Force 151 is leading the international effort to combat piracy in the Gulf of Aden. They are coordinating their operations with forces from the European Union, NATO, and a total of twenty-four nations contributing ships, aircraft, and staff personnel as well as operational and intelligence support.

Our ships and maritime patrol aircraft in the Caribbean and off South America are working with the Coast Guard-led Joint Interagency Task Force-South, which ties together information and forces from thirteen nations to stem the flow of illegal narcotics into the United States. In 2009 alone they contributed to the seizure or disruption of almost 220,000 kilograms of cocaine with a street value of over \$4 billion.

Both the Navy and Marine Corps routinely conduct training exercises and multi-lateral operations with nations all around the world to solidify our relationships with traditional allies and forge partnerships with new friends. Global Partnership Stations in Africa, South America, and the Pacific are training hundreds of Sailors, Marines, and Coast

Guardsmen from dozens of nations and are supporting regional diplomatic and humanitarian engagement efforts, like those of the hospital ship USNS *COMFORT* and the Fleet Auxiliary USNS *RICHARD E. BYRD* in the summer of 2009. The two ships together treated over 110,000 patients in the Caribbean, South America, and Oceania, and the USNS *COMFORT* furthered an existing partnership with numerous civilian aid organizations.

The Navy-Marine Corps team remains on the front-line of response to natural disasters. In 2009 we provided humanitarian assistance to Indonesia, the Philippines, and American Samoa, and delivered thousands of tons of food, water, and medical supplies to those affected by devastation. After the January 12 earthquake in Haiti, the Navy and Marine Corps responded immediately. Within a week of the earthquake, 11 Navy ships, including the carrier USS *CARL VINSON*, the big-deck amphibious ship USS *BATAAN*, and the hospital ship USNS *COMFORT* were on station off the coast of Haiti. These ships embarked 41 Navy and Marine Corps helicopters and approximately 2000 Marines of the 22nd Marine Expeditionary Unit. On station, our units treated patients, provided helicopter lift capability, and delivered hundreds of tons of relief aid. Additional personnel and capabilities continued to flow in over the next weeks. Our mission there will continue as long as required.

The Navy and Marine Corps are flexible, responsive, and everywhere that our nation's interests are at stake. The Navy and Marine Corps' global presence reduces instability, deters aggression, and allows for rapid response to a wide range of contingencies.

In order to ensure our continued global mobility, the Department of the Navy strongly supports accession to the Law of the Sea Convention (UNCLOS). The United States must continue to take maximum advantage of the navigational rights contained in the Convention. Ratification would enhance stability for international maritime rules and ensure our access to critical air and sea lines of communication.

I have now been the Secretary of the Navy for nine months, and in that short period of time I have met thousands of our Sailors and Marines serving on the front lines at sea and ashore. I have been constantly inspired by the high morale, courage, and commitment to serving our country displayed by every one of them as they conduct our missions. In return, I have continually expressed to them the appreciation of the American people for the sacrifices they and their families are making every day.

I have met our operational commanders and seen first-hand the warfighting readiness of our Fleet and our Marine Forces. I have inspected the facilities of our industry partners who are building the Navy and Marine Corps of tomorrow. With the advice and support of my leadership team, I have made some initial decisions to better prepare the Navy and Marine Corps for the challenges of the future. These observations and our initial actions have given me a good picture of the Navy and Marine Corps, and from this vantage I can report to Congress and the President the current state of the Services, the budgetary

requirements we need to successfully perform our mission, and the future direction I believe we must take.

The Department of the Navy's Fiscal Year 2011 (FY 2011) Budget request reflects the President's priorities, Secretary Gates' strategic and fiscal guidance, and fundamentally aligns with the 2010 Quadrennial Defense Review (QDR) priorities:

- (1) *Prevailing in today's wars*
- (2) *Preventing and deterring conflict*
- (3) *Preparing for a wide range of future contingencies*
- (4) *Preserving and enhancing the All-Volunteer Force*

This Budget request of \$160.7 billion will maintain across the Future Years' Defense Program our commitment to a strong industrial base. The FY 2011 request of \$18.5 billion for contingency operations includes incremental costs to sustain operations, manpower, equipment and infrastructure repair as well as equipment replacement to support our focus on increasing threats in Afghanistan and elsewhere.

In the FY 2011 Budget request, we have included funds for 9 ships, including 2 additional *VIRGINIA* class submarines, 2 destroyers in the restarted *ARLEIGH BURKE* line, a lower-cost commercial variant of the Mobile Landing Platform, the multi-role Landing Helicopter Assault Replacement, a Joint High Speed Vessel and 2 Littoral Combat Ships, which will be constructed under the terms of the down-select we will conduct this fiscal year. In aviation, we have requested 206 aircraft in FY 2011, including 20 F-35 Joint Strike Fighters for both the Navy and Marine Corps, 24 MH-60R

and 7 P-8As to begin replacing our aging ASW and maritime patrol squadrons, 18 MH-60S for logistics support, 28 H-1 variant helicopters and 30 MV-22 for the Marine Corps, 22 F/A-18E/F and 12 F/A-18G to continue replacing the EA-6B. For Marine Corps ground operations, we have requested funding for an additional 564 LVSR and HMMWV tactical vehicles. The FY 2011 Budget request also contains development funding for the Navy Unmanned Combat Aerial System and continues development of the Broad Area Maritime Surveillance UAV. And we have continued our support of the Naval Expeditionary Combat Command, including funding for a fourth Riverine Squadron.

The Department's long-range shipbuilding and aviation intentions are designed to sustain our naval superiority and they achieve a balance of capability and affordability that both wins today's wars even while preparing for the challenges of the future.

There are four strategic, tactical, and personnel management imperatives I believe the Department of the Navy must also address to maintain preeminence as a fighting force and successfully address whatever comes in the future. These four areas reinforce the strategic framework of the QDR and address the areas of risk it identifies. They are:

- (1) Taking care of our Sailors, Marines, Civilians, and their Families*
- (2) Treating energy in the Department of the Navy as an issue of national security*
- (3) Creating acquisitions excellence*
- (4) Optimizing unmanned systems*

They underpin the development of our FY 2011 Budget request, execute Presidential policy, and comply with and respond to Congressional direction.

Taking Care of Sailors, Marines, Civilians, and their Families

Sailors and Marines are the fundamental source of our success. They are our most important asset, and they must always come first in our minds and in our actions. One of my most important responsibilities as Secretary is to ensure adequate compensation, medical care, and family support services are provided to our Sailors, Marines, civilians, and their families.

The Navy and Marine Corps will continue to recruit and retain the same high quality individuals we brought into and kept in the service in 2009. We remain committed to providing a competitive pay and benefits package to aid recruiting. The package includes not only basic pay and housing allowances, but also provides incentives for critical specialties in health care, explosive ordnance disposal, and nuclear propulsion.

Beyond compensation, we recognize that quality of life programs are crucial to retention and the military mission. We are providing expanded career opportunities, opportunities for life-long learning, and a continuum of care and family support. The Department continues to support a wide array of readiness programs, including deployment support services, morale and welfare services, and child and teen programs. Our innovative personnel management and human resource programs were in fact recognized by civilian

experts as among the best in the country when, in October 2009, the Navy was named by Workforce Management Magazine as the winner of the Optimas Award for General Excellence.

Since the attacks of September 11, 2001, over 10,000 Marines and Sailors have been wounded in action. Their service has been exemplary and unselfish, and in their sacrifice they have given so much of themselves for our country. The Department of the Navy, through the Wounded Warrior Regiment and the Navy Safe Harbor Program, provides support and assistance to our wounded, ill, and injured service members and their families throughout recovery, rehabilitation, and reintegration. And we continue to provide encouragement and support for wounded Sailors and Marines, in partnership with the Department of Veterans Affairs, long after they have left the Service.

Our medical community has continued to strive for excellence in the care of our Sailors and Marines. Navy Medicine has reached out to its civilian colleagues, and we have established partnerships with civilian hospitals to improve our understanding and care for those affected by traumatic brain injuries, mental health issues, amputation, and disfiguring injuries. I had the opportunity last fall to see this first-hand, when I witnessed groundbreaking pro-bono work in reconstructive surgery on behalf of Wounded Warriors at the UCLA Medical Center.

We will continue to aggressively address the issues of sexual assault prevention and response. Sexual assault is a criminal act that is corrosive to the readiness and morale of

a professional military organization. In the FY 2011 Budget request, we have requested funds to support a reinvigorated program under the supervision of a new Office of Sexual Assault Prevention and Response, which I created within the Secretariat to focus attention on the issue, develop effective training, and coordinate prevention and response programs across the Navy and Marine Corps.

In 2010, the Department will move forward on expanding the opportunities for women in the Navy. We will establish a process to integrate women into the submarine force, beginning with nuclear-trained and Supply Corps officers on our ballistic and guided missile submarines.

After eight years of continuous combat operations, the Navy and Marine Corps' people remain strong, and the CNO, CMC, and I are very focused on maintaining the overall health of the force. The FY 2011 Budget request reinforces these goals and is designed to provide the fiscal support necessary to sustain the force. The visible support of Congress to our personnel programs is deeply appreciated and has been vital in maintaining overall readiness.

Energy Reform

The way in which we use and produce energy is an issue of national security and is essential to maintaining our warfighting capabilities. At present, we simply rely too

much on fossil fuels, which are susceptible to both price and supply shocks caused by events in volatile areas of the world largely outside the scope of our control. Those potential shocks have, in turn, strategic, operational, and tactical effects upon our forces. In addition, fossil fuel emissions are the root cause of many of the impending security challenges of tomorrow, and the QDR has correctly identified that climate change and its effects: rising sea levels, pressure on natural resources, and changes to the polar regions, will increasingly affect our force structure and the global security environment as the 21st century progresses. In order to improve our long-term strategic and fiscal position, I have set the Navy and Marine Corps on a path to change the way in which we use and produce energy.

In October 2009, I issued five energy targets. They are ambitious in their scope, but I firmly believe that little will be accomplished without bold, innovative, and timely action. The most important of the targets commits the Navy and Marine Corps to generating half of all the energy we use, including that used by the operational fleet, from alternative sources by 2020. I have also committed the Navy and Marine Corps to consider energy as a mandatory evaluation factor in contracting, and to consider as an additional factor in our business dealings, the energy footprint of the companies that sell to the Navy and Marine Corps.

America is a world leader precisely because of our willingness to not just embrace change, but to create it. The U.S. Navy has always been a technological leader. We moved from wind to coal in the 19th Century, coal to oil early in the 20th Century, and to

nuclear power in mid-century. In every transition there were opponents to change, but in every case the strategic and tactical position of naval forces improved. In this century, I have asked the Navy to lead again by pioneering technological change through use of alternative energy. But I want to reiterate that every action and program we undertake must and will have as an effect improved warfighting capability. And we will strive in every case to improve energy efficiency and reach cost-neutrality over the life of the program.

Many of our initiatives are already doing this. We conducted a ground test of an F/A-18 Hornet jet engine this fall running on a biofuel blend and we intend to conduct an airborne test of the “Green Hornet” later this year. In late 2010, the Navy will also conduct tests of a more efficient F/A-18 engine, which will increase the aircraft’s range. Afloat, the USS *MAKIN ISLAND*, the first ship constructed with a hybrid-electric drive that dramatically lowers fuel consumption at lower speeds, saved approximately \$2 million in a single transit to her new homeport in San Diego. Over the life of the ship, we estimate the savings will be up to \$250 million using today’s fuel prices. Writ large across the Navy, as we begin to retrofit our DDG fleet with similar propulsion systems, the potential fuel savings will only grow.

In addition to these tactical applications, we have implemented a number of energy projects at our facilities ashore, and numerous other efficiency initiatives throughout the Fleet. As the President clearly stated in Copenhagen, changing the way we use and produce energy is a national security imperative.

Acquisition Excellence

The ships and aircraft of the Navy and Marine Corps are unmatched at sea and over land. Our precision munitions, networked targeting systems, armored vehicles, stealth technology, and unmanned vehicles are advanced systems that define the leading edge of warfare in all domains.

These truths have been brought home to me during my visits with the defense industry. I have had the opportunity to visit shipyards, aircraft manufacturers, factories, and depots; and I applaud the hard work and dedication of this country's skilled workforce – Americans who take as much pride in their patriotism as they do in their craftsmanship.

The issue before us all, however, is affordability. Acquisition costs are rising faster than our budget's top-line, and without deliberate, sustained action to reverse this trend, we put the size and capability of the future force at risk. In accordance with the Weapons System Acquisition Reform Act passed by Congress in 2009, the Navy and Marine Corps will aggressively pursue additional ways to make the acquisitions process more rigorous; we will prudently safeguard the resources entrusted to us by the American taxpayer, and we will fully meet the obligation we hold to our Sailors and Marines.

This requires close examination of the way we do business in our policies, practices, priorities, and organization, with a clear focus on controlling cost. The Navy and Marine

Corps will continue initiatives to raise standards, to improve processes, to instill discipline in procurement, and to strengthen the professional corps that manages our major defense acquisition programs.

We are pressing forward with key initiatives that promise to improve our ability to affordably deliver combat capability to the fleet.

We are improving the quality of our cost estimates, which underpin our investment decisions. We are strengthening our cost estimating group, requiring independent cost estimates, and incorporating Departmental best practices in the formulation of our Service Cost Position for all major programs. We are using these realistic cost and schedule estimates to drive difficult decisions at the front end of the requirements process.

We are developing our acquisition strategies with the intent of expanding the use of fixed price contracts, leveraging competition, and tightening up on the use of incentive and award fees to ensure quality systems are delivered consistently on budget and on time to our Sailors and Marines. When we could not achieve these objectives this past year on the Littoral Combat Ship program, we rewrote the program's acquisition strategy to improve performance through competition. I thank the Committee for its strong support of this revised strategy, and I assure you that I will not hesitate to re-compete or cancel programs when sub-standard performance demands change.

We are demanding strict discipline in the execution of our contracts. Before commencing production on new start ship programs, I have reported to you the results of reviews conducted to ensure that designs are mature. We are specifically clamping down on contract changes, the most-often cited reason for cost growth, through improved policies and increased oversight.

Our goals for modernizing today's force and recapitalizing the fleet affordably cannot be accomplished without a healthy industrial base and strong performance by our industry partners. We have worked hard to procure our ships, aircraft, and weapon systems at a rate intended to bring stability to the industrial base and enable efficient production. The Navy's long-range shipbuilding plan was developed with particular regard for maintaining the unique characteristics and strength of the base and our efforts support the QDR's emphasis on maintaining the defense industrial base with appropriate levels of competition, innovation, and capacity. The Future Years' Defense Program outlines construction of a balanced force of 50 ships, an average of 10 ships per year, which requires the full breadth of capabilities and services provided by our major shipbuilders and vendors.

In the end, industry must perform. We will work with our shipyards, aircraft manufacturers, and weapon systems providers to benchmark performance, to identify where improvements are necessary, to provide the proper incentives for capital investments where warranted, and to reward strong performance with terms and conditions that reflect our desire for a strong government-industry partnership.

To meet our objectives, we must be smart buyers. The acquisition workforce has been downsized over the past fifteen years and in truth our professional acquisition corps has been stretched too thin. Accordingly, and with your strong support, we are rebuilding the acquisition workforce through a number of parallel efforts. We must both increase the number of acquisition workers and restore to the government the core competencies inherent to their profession. The Department has added 800 acquisition professionals in the last year towards the goal of increasing the community by 5000 over the Future Years' Defense Program. This represents a 12 percent growth in our workforce.

Unmanned Systems

The complex nature of today's security environment, as well as current and future anti-access threats faced by the United States require that the Navy and Marine Corps investigate the contributions unmanned systems can make to warfighting capability.

Unmanned systems are unobtrusive, versatile, persistent, and they reduce the exposure of our Sailors and Marines to unnecessary threats. They perform a vast array of tasks such as intelligence collection, precision target designation, oceanographic reconnaissance, and mine detection, and that array will grow exponentially year to year.

Navy and Marine Corps unmanned systems have already made key contributions to operations in Afghanistan, Iraq, and in the counter-piracy effort off the coast of Africa.

Unmanned aircraft systems have flown thousands of flight hours in support of Operation

Iraqi Freedom and Operation Enduring Freedom. Unmanned ground vehicles employed by the Marine Corps have conducted thousands of missions detecting and/or neutralizing improvised explosive devices. And unmanned maritime systems have provided improved port security.

We continue to support research and development activities to improve these capabilities and increase the level of autonomy in unmanned systems. Over the Future Years' Defense Program we will continue to focus on transitioning from research and development and limited deployments, through test and evaluation, to full fleet integration and operations. In order to best direct our research and harness the capabilities of unmanned systems, I am tasking the Department to develop a comprehensive roadmap for unmanned system development, to include a coordinated strategy for air, ground, surface, and subsurface systems focused on integration and interoperability with our existing platforms and capabilities.

The initiatives and investments contained in the FY 2011 Budget request will move us onto this path. I look forward to reporting continued progress throughout the year.

Closing

In this statement, I have discussed the strategic and tactical imperatives that guide the Department and influence the future decisions we will make. Specific programmatic requests are reflected in the FY 2011 Budget request, which I believe incorporates the

difficult trade-offs and disciplined decision making that you and the American taxpayer expect of us. We have carefully weighed risks and made proposals to you that will ensure we retain a ready and agile force capable of conducting the full range of military operations. And we will continue to work hard to be effective stewards of the resources you allocate to us.

Forty years ago I stood watch on the deck of the USS *LITTLE ROCK* as a young junior officer. Today I have the solemn privilege of standing watch on behalf of our Navy and Marine Corps in a time of war and national challenge. I am honored by the trust the President and Congress have placed in me and I fully recognize the solemn obligation I have to those who defend us.

That obligation fueled my desire to observe our people up close in their varied and often dangerous jobs. I've seen first hand the courage of our young Marines in Helmand, the determination of a wounded SEAL to walk despite losing two legs, the pride of a young Sailor in a hot engine room, the selfless dedication of corpsmen, nurses and doctors caring for the fallen.

Sacrifice and service created and preserve the freedom and opportunity that we enjoy as Americans. Although we aspire to create a world in which violence and aggression have been eliminated, we understand that peace and stability are often secured only when strong nations and good people are willing and prepared to use decisive force against those who threaten it. The Navy and Marine Corps stand ready to do so.

Your commitment to the service of our country and your recognition of the sacrifice of our Sailors, Marines, civilians and their families has been steadfast and is fully reflected in the support of this Committee for our key programs and our people.

I, along with my partners, the Chief of Naval Operations, Admiral Roughead, and the Commandant of the Marine Corps, General Conway, look forward to hearing your thoughts and answering any questions you may have about our Budget request or specific programs of interest. I also look forward to working closely with Congress as we move forward to sustain the Navy and Marine Corps as the most formidable expeditionary fighting force in the world.

Thank you and Godspeed.