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SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS, and RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS

STATEMENT OF
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U.S. NAVY

BEFORE THE

HOUSE SUBCOMMITTEE ON MILITARY CONSTRUCTION,
VETERANS AFFAIRS AND RELATED AGENCIES,

OF THE

COMMITTEE ON APPROPRIATIONS
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Chairwoman Wasserman Schultz, Ranking Member Carter, and distinguished members of the Committee, it is an honor to appear before you representing the thousands of Navy Sailors and civilians at our 70 installations worldwide. Thank you for the opportunity to testify about the importance of our infrastructure, its resiliency, and the entire base operating support required to meet critical Navy and, ultimately, Joint Force missions. The Navy's contribution to the Joint Force includes readiness for high-end lethal combat in the maritime environment in order to deter great power aggression and, if deterrence fails, to defeat a peer or near-peer adversary in conflict. Our goal is to shape a Navy that is lethal, resilient, sustainable, agile, and responsive. Balancing the requirement to field the future Fleet while maintaining the sustainable forward posture that keeps Americans safe and prosperous is our central challenge. As we acknowledge and address that challenge, we focus on four priorities: readiness, capabilities, capacity, and our Sailors. To that end, the Navy works to ensure tight linkages between our strategies, operational concepts, warfighting capabilities, and our resources to achieve strategic objectives. For the Naval Services, these imperatives are outlined in the Joint Publication 5.0; *Tri-Service Maritime Strategy, Advantage at Sea*; *Transforming Naval Logistics for Great Power Competition (TNLFGPC)*; the *Navy Global Strategy Ashore: Transforming the Shore Enterprise for Strategic Competition*; and the Chief of Naval Operations' (CNO) Navigation Plan (NAVPLAN). These Service-level strategies align with the President's Interim National Security Strategic (NSS) Guidance and the recently released National Defense Strategy (NDS).

Consistent with the NSS Guidance, the 2022 NDS sets out how the Department of Defense (DoD) will contribute to advancing and safeguarding vital U.S. national interests – protecting the American people, expanding America's prosperity, and realizing and defending our democratic values. The NDS expertly outlines today's growing multi-domain threat. Our strategic environment is characterized by the re-emergence of long-term strategic competition with the People's Republic of China and Russia, along with persistent threats from North Korea, Iran, and violent extremist organizations. Individually and collectively, these forces are producing significant, overt challenges to the free and open international order. In response, the NDS outlines the need for a more lethal, resilient, and rapidly innovating Joint Force, combined with a

robust constellation of Allies and Partners, to sustain American influence and ensure a favorable balance of power that safeguards the free and open international order. Collectively, our force posture, alliances and partnerships, and force modernization will provide the capabilities and agility to prevail in conflict and preserve peace through strength.

In support of this end state, the CNO issued the TNLFGPC in early 2021, which provides a strategic roadmap for the Naval Logistics Enterprise and aligns its transformation with the NDS and *Advantage at Sea*. The TNLFGPC provides details on how the Navy will transform logistical support to the Fleet across the logistics continuum. The logistics continuum encompasses: 1) the industrial base, 2) the inter-theater, 3) the intra-theater, and 4) the last tactical mile. The overall goal of this transformation is to establish naval logistics systems and structures aligned with the new strategic environment. The TNLFGPC identifies four lines of efforts (LOEs): 1) Integrate Command and Control, 2) Enable Assured Power Projection, 3) Strengthen Sustainment for Distributed Operations, and 4) Improve Logistic Resilience. The LOEs are our principle focus areas in improving our ability to sustain the force in the new environment. We do this through five Maritime Sustainment Vectors, distilled from the eight pillars of Logistics from Joint Publication 4.0: Rearm, Refuel, Repair, Resupply, and Revive (called the “5Rs”). The 5Rs constitute both a structure and a system to help us transform logistics to better sustain the Fleet – for identifying gaps and performing the analytics on potential solutions. The Maritime Sustainment Vector, or 5R model, focuses Navy Logistics Enterprise activities on sustainment as a warfighting function. The model captures the essential functions required to posture capability ashore and at sea in ways that allow the Fleets and Force to operate globally, at a pace that can be sustained over time.

It is important to note that all readiness starts from the Shore, which makes Shore readiness and investment critical. It is imperative to ensure the Shore is mission-ready, secure, sustainable, and maintaining pace alongside our Fleet. Operating in a contested environment requires a Shore enterprise that is integrated completely into the fight. This requires persistent, agile, and flexible naval combatants, and a logistics enterprise that mirrors these characteristics.

Fleet readiness and lethality rely on a combination of afloat and ashore "platforms" and "payload". The *Navy Global Strategy Ashore*, released in summer 2021, illustrates how the Shore enterprise enables Fleet readiness. Shore platforms are the locations that develop, generate, and employ forces for direct support to the Fleet. Shore payload is the infrastructure and support services at an installation. The Shore payload also includes the people and services that make the payload and platforms function. The Shore platforms and payload make up strategic and operational mission sets, such Air/Port Operations, Protection, Logistics, Warfighter Resilience/Quality of Life, and Command, Control, Communications, Computers, Cyber, Intelligence, Surveillance, and Reconnaissance (C5ISR). These mission sets are inextricably linked to Force Development (Fd), Force Generation (Fg), and Force Employment (Fe).

In the *Navy Global Strategy Ashore*, the Navy created four LOEs to posture the Shore in enhancing Fleet readiness by aligning the Shore and sea lines of communication across the competition continuum. These LOEs are: 1) Restore Readiness to Shore Platforms, 2) Cost-Effective Maintenance and Modernization of Infrastructure, 3) Enhance Shore Resiliency, and 4) Posture the Shore to be Agile and Responsive to the Threat Environment. Implementation of these LOEs will establish a sustainable, modern, resilient, and ready network of installations and contingency locations that deliver capability and capacity to produce and sustain Fleet readiness and logistics in a contested environment.

Another key component to Shore readiness is resiliency. Energy and climate resiliency are critical pieces to the *Naval Global Strategy Ashore*, as they are integral to the long-term ability of our Navy to support ongoing operations, and ensure our Sailors are equipped to meet adversity. Resiliency ensures our military bases can continue to perform their critical missions in the wake of natural disasters or disruptions to the grid. It is a national security and warfighting imperative for the Navy to address the impact of climate change on our readiness, operations, and ability to fight and win. Climate change increases risk and exposes vulnerabilities to our people, installations, platforms, and operations, and ultimately affects our mission. Climate resilience focuses on consideration of environmental vulnerabilities in installation master planning, management of natural resources, design and construction standards, utility

systems/service, and emergency management operations. By tackling climate challenges holistically across the range of resilience threats, by how we operate and the decisions we make in the planning, design, location, and construction of facilities, we are ultimately addressing readiness since climate and environment are the foundations from which everything else develops.

The Secretary of the Navy set operational energy priorities for the Department of the Navy in 2019, which included increasing energy resilience of forward bases, supply depots, and cooperative security locations as part of an effort to get more energy to the warfighter. Several operational energy initiatives implemented so far have resulted in cost savings reinvested for additional operational energy resilience, efficiencies, mission assurance, energy conservation, or energy security initiatives within the Navy. Moving forward, the Navy will continue to prioritize all facets of resilience in installation decisions to ensure the ongoing, highest level of mission capabilities.

The Navy must deliver affordable, sustainable, environmentally compliant, and resilient Shore platforms through improved processes and investment prioritization. Targeted sustainment of existing assets and modernization of our infrastructure will ensure readiness at the lowest overall lifecycle cost. Investments to increase resilience of Navy installations to extreme weather events and sea-level rise will result in long-term cost avoidance. Continued use of standard design criteria, increased use of expeditionary standards, and mandated use of standard designs for new construction will reduce delivery costs and increase buying capacity. Finally, to optimize the Shore footprint and maximize resources, the Navy must consolidate and divest infrastructure that does not contribute directly to Fleet readiness and lethality.

American security rests upon our ability to control the seas and project power ashore. Currently, the Navy's Logistics Enterprise is mission capable for day-to-day operations, but is not postured for a sustained increase in Fleet operational tempo, particularly given the tyranny of distance across the INDOPACOM AOR. The Logistics enterprise must be prepared to enable and sustain readiness across the competition continuum – from Phase 0 peacetime mindset to Phase II crisis and conflict. In particular, the Navy Logistics Enterprise must be postured to fight and win in a high-end

fight where Shore platforms will be the linchpin for delivery of the 5Rs of logistics in support of Distributed Maritime Operations and Expeditionary Advanced Base Operations. Collectively, the Navy Logistics Enterprise must prioritize operations, activities, and investments deemed critical by the Fleet to support warfare readiness and influence events ashore.

Military Construction (MILCON) Execution

Military Construction is one of several mechanisms that the Navy uses to modernize Navy installations to enable global logistics and warfighter development, generation, and employment from the Shore. Our PB23 request continues to invest in projects supporting new platforms and the Shipyard Infrastructure Optimization Program (SIOP). The Navy MILCON requirements far exceed the funds available to resource requirements. The CNO Guidance, Fleet and combatant command (COCOM) priorities, the *Navy Global Strategy Ashore*, and Fleet readiness needs inform the PB23 submission, which reflects the Navy's top priorities.

The 2022 MILCON Appropriations and Authorizations included a total of $2.22 billion for 19 projects, funding for planning and design of future MILCON projects, and Unspecified Minor Construction Projects. Twelve of 13 of the Navy's original requested projects were included (incremental funding provided for one project and one project marked); among these were five overseas projects totaling $304 million supporting COCOM posture priorities and persistent presence of forward deployed naval forces. The FY22 budget provided for the second increment of P381, Multi-Mission dry-dock 1 at Portsmouth Naval Shipyard, ME, in support of SIOP, as well as additional funds for planning & design for future year SIOP projects. The Navy sincerely appreciates the $768 million in additional funds provided by Congress. This provided an additional $225 million to optimize the execution of P381 and funded seven additional projects.

Shipyard Infrastructure Optimization Program

The SIOP is a holistic investment plan that integrates all infrastructure and industrial plant equipment investments at the Navy's four public shipyards to meet nuclear fleet maintenance requirements and improve Navy maintenance capabilities by expanding shipyard capacity and optimizing shipyard configuration. This plan is

essential to supporting the future needs of the Navy's nuclear submarine and aircraft carrier force. The average age of the naval shipyard facilities and related infrastructure is 61 years, while the average dry-dock age is approaching 100 years. Dry-dock re-capitalizations must be completed to accommodate future platforms such as the Ford Class aircraft carriers and new configurations of the Virginia Class submarines. In April 2022, the Department of the Navy provided an updated SIOP Five-Year Plan to Congress and updated reporting relationships required to ensure disciplined execution of construction efforts managed within the program while maintaining uninterrupted support to the Fleet. The Navy established a Program Executive Office Industrial Infrastructure (PEO II) in March 2022, aligned with Naval Facilities Engineering Systems Command, and reporting directly to the Assistant Secretary of the Navy for Research, Development, and Acquisition. The Department also realigned Program Management Office 555 to report directly to PEO II. The Navy awarded a $1.7 billion contract to construct two new dry docks at Portsmouth Naval Shipyard (PNSY) and completed the first phase of industrial modeling and simulation at all four naval shipyards. Finally, the Navy released the Draft Environmental Impact Statement for construction and operation of Dry Dock 3 Replacement and a Waterfront Production Facility project at Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility (PHNSY & IMF) for public comment this February.

Infrastructure Sustainment and Restoration

When viewed as platforms, Navy installations enable Air/Port Operations, Protection, Logistics, Warfighter Resilience/Quality of Life, and C5ISR. Investment in Facility Sustainment, Restoration, and Modernization (FSRM) is critical to supporting CNO's NAVPLAN and Fleet outcomes. The recent trend of increased FSRM investment directly benefits maintenance of critical infrastructure that enables the Fleet and warfighting missions. The Navy's PB23 request funds Sustainment to 85% of the DoD-modeled requirement. Restoration and Modernization program funding increase is necessary to keep pace with the unprecedented increases in material costs, supply-chain disruptions, and labor services in the construction industry.

Navy Base Operating Support (BOS) comprises fleet operations, safety and security, facility support, quality of life, and mission support and management programs provided to 70 Navy installations. BOS funding has been essentially flat over the past decade and remains so for the upcoming Future Year Defense Program. Accounting for inflation, this translates to reduced buying power, creating challenges as new priorities arise each year, requiring resourcing at the expense of other programs and services. To address that challenge, the Navy has embarked on an effort to baseline BOS costs and prioritize BOS investments based on mission output.

Climate Resiliency

Climate resilience is an important component of installation mission readiness. The Navy works to ensure installations and infrastructure are resilient to a wide range of challenges, including extreme weather events, water scarcity, sea level rise, recurrent flooding, wildfires, and other environmental considerations and threats that can affect operations. The Navy's Mission Assurance Assessment Process is an "all hazard threat assessment" that is used to ensure the continued function and resilience of capabilities and assets by reviewing both the probability and the mission impact of climate risks tailored to specific geographic locations. Our *Climate Change Planning Handbook: Installation Adaptation and Resilience*, updated in 2021, provides an analytical framework and methodology for identifying and assessing viable adaptation measures to inform the installation resilience master planning process. By incorporating climate change considerations into the decision-making process, the Navy gains operational and tactical advantages, remains agile, preserves decision space, and reduces climate hazard risks to missions and operations.

Climate change is already affecting the Navy in significant ways, and the threat will only intensify in coming years. The Navy is making meaningful progress with PB23 investments as the magnitude and urgency of the climate crisis increases. We are investing in efforts to optimize energy and utilities usage, planning and execution of Environmental Resilience projects, planning, and installation of Electric Vehicle Support Equipment, and converting our non-tactical fleet from gas to Zero Emission Vehicles.

Child Development Centers (CDC)

Navy Child and Youth Programs (CYP) provide affordable, quality child and youth program services. The Navy has the capacity to provide care for 45.9K children ages 0-12. The current waitlist is 6.7K. Quality of programs is high overall but challenged with capacity shortfalls for ages 0-5. This is most prevalent in the fleet concentration areas of Norfolk, VA; San Diego, CA; Bremerton, WA; Pearl Harbor, HI; and the National Capital Region. Efforts are in place to reduce wait times for childcare, to include enhanced efforts to recruit and retain childcare professionals, expand community-based fee assistance and the Navy Family Child Care program, and leveraging community partnerships. Due to limited commercial capacity to support fee assistance and a lack of viable public/private partners, military construction of new or expanded CDC facilities may still be necessary to achieve capacity goals. Additionally, because COVID has had a significant impact on both commercial and military CDC staffing levels, the Navy is increasing pay and recruitment and retention bonuses to ensure adequate staffing levels.

The Navy increased our fee assistance cap to $1,500 per month, making higher cost commercial programs more accessible to military members and expanding fee assistance enrollment. We also implemented required Federal employee minimum wage ($15/hour) across the enterprise. The new starting caregiver salary of $16.70/hour + locality pay will make Navy CYP positions more competitive with the private sector and positively impact recruitment and retention. Finally, the Navy released a Request for Proposal in the San Diego Metro location for leasing partnerships, but received limited interest from the community, so the Navy's PB23 request includes funding for construction of a new CDC at Naval Base Point Loma. The Navy continues to adapt to these challenges, implement lessons learned, and leverage a variety of approaches to CYP to ensure that we can provide safe, quality, and affordable childcare for our Sailors.

Conclusion

Fundamental changes are necessary to meet the challenges facing the Shore. The effective development, generation, employment, and sustainment of naval forces

by Shore platforms and payloads require that we confront the status quo and drive institutional change. We must address and improve how the Shore enterprise functions as a force multiplier, enabling the Navy to succeed in strategic competition as it supports the Fleet within the unified readiness picture assessed by and reported through Fleet Commanders.

As threats change, concepts of operation evolve, planes and ships retire and are replaced by new platforms, support from the Shore will require deliberate focus, prioritized investment, and more effective portfolio risk assessment to ensure the capabilities and capacities are postured for a scalable response across the competition continuum. With the ultimate focus on Mission, we will be able to optimize support from the Shore with a focused prioritization and long-term investment strategy. Doing so requires a unified understanding of agile response across global functions for employment, generation, and development. The *Navy Global Strategy Ashore* will eventually combine with *TNLFGPC* to create an overarching strategy for logistics and installations.

Thank you for the opportunity to testify before you today. We look forward to working with you to continue to enhance and enable warfighting capability and readiness through optimization, modernization and increased resiliency of our installation platforms to support Navy critical missions across the spectrum of competition.