

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE HOUSE  
SUBCOMMITTEE ON MILITARY CONSTRUCTION,  
VETERANS AFFAIRS, and RELATED AGENCIES,  
COMMITTEE ON APPROPRIATIONS

**STATEMENT OF  
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DEPUTY CHIEF OF NAVAL OPERATIONS FOR  
FLEET READINESS AND LOGISTICS  
U.S. NAVY**

**BEFORE THE  
HOUSE SUBCOMMITTEE ON MILITARY CONSTRUCTION,  
VETERANS AFFAIRS AND RELATED AGENCIES,**

**OF THE  
COMMITTEE ON APPROPRIATIONS  
APRIL 18, 2023**

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Chairman Carter, Ranking Member Wasserman Schultz, and distinguished members of the Subcommittee, 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 entirety of support required to meet critical Navy and Joint Force missions. The FY23 National Defense Authorization Act (NDAA) directs the Navy to support the “peacetime promotion of national security interests and prosperity of the United States.” Meeting this charge requires decisive naval power, which the Navy will deliver through high-end, lethal combat capability and the ability to deter aggression in this era of great power competition. Moreover, we will maximize our contributions to the Joint Force by designing and fielding the future Fleet, identifying and resolving current readiness gaps, and sustaining the forward posture that keeps Americans safe. Our goal is to shape a combat credible Navy - lethal, sustainable, resilient, survivable, agile, and responsive - and our efforts remain closely linked with strategic documents and operational concepts including *Joint Pub 4.0 (Joint Logistics)*, *Tri-Service Maritime Strategy*, *Advantage at Sea*, *Transforming Naval Logistics for Great Power Competition*, and *Navy Global Strategy Ashore*. Concurrently within Navy lifelines, we maintain focus on four foundational priorities: readiness, capabilities, capacity, and our Sailors.

The Navy’s goals and priorities are fully aligned with the *National Security Strategy (NSS)* and *National Defense Strategy (NDS)*, executed through the *CNO’s Navigation Plan 2022* update, and supported through our FY24 President’s Budget (PB-24). In the 2022 NSS, the Administration communicates a clear goal - a free, open, prosperous, and secure international order. The NSS provides a construct for achieving this goal, including the Line of Effort (LOE) calling for modernizing and strengthening the military so it is equipped to succeed in the era of strategic competition with major powers, as well as countering the terrorist threat to the homeland. The NSS further articulates that, as competition evolves and intensifies globally, the military must sustain and generate warfighting advantages and limit those of our competitors, while meeting its primary responsibilities of defending the homeland, deterring attacks and aggression against the United States, our allies and partners, and being prepared to fight and win should diplomacy and deterrence fail.

In concert with the NSS, the 2022 NDS sets the Department of Defense’s focus on safeguarding and advancing vital U.S. national interests by protecting the security of the

American people, expanding economic prosperity and opportunity, and realizing and defending American values. The NDS outlines how the military will meet growing threats to national security interests and a stable and open international system. In addition to the military priorities established in the NSS, the NDS adds an additional charge to ensure our future military advantage through building a resilient Joint Force and defense ecosystem.

Further converging with the NSS and NDS, in July 2022, CNO issued an update to his Navigation Plan to drive a Fleet-wide movement for strengthening Navy's learning culture. In alignment with the themes communicated in the NSS and NDS, CNO conveys, "History shows that the navy which adapts, learns, and improves the fastest gains an enduring warfighting advantage." Turning this axiom into action, CNO called upon the Navy to "Get Real, Get Better" (GRGB) and transform our culture to meet the challenges of today and the future.

GRGB, in essence, is the owner's manual that translates strategic goals in the NSS and NDS into the actions and mindset our Sailors must employ on a daily basis. "Getting Real" includes self-assessment, honesty, and transparency in individual performance and capability, as well as recognition of limitations and areas for improvement. Transparent self-assessment produces the conditions from which we can begin to "Get Better." We will be positioned to self-correct, engage in activity geared to improve outcomes, find and fix root causes, identify barriers, and create opportunities to overcome. While our Sailors embrace this culture, the same tenets apply to our decision making for investments, warfighting requirements, and strategy. The integration of GRGB from personnel to lines of operation results in the ecosystem that assesses, corrects, and innovates better than the opposition and enables our efforts to create warfighting advantages across all domains.

To improve our ability to sustain the force in a contested environment, the Navy views sustainment through the lens of five Maritime Sustainment Vectors, derived from *Joint Publication 4.0*: Rearm, Refuel, Repair, Resupply, and Revive (the "5Rs"). We have been employing the 5R structure as we transform logistics to better sustain the Fleet in concert with the NDS and *Advantage at Sea*. Our programs sustain the momentum for evolving wartime support to the Fleet across the sustainment kill chain, from the industrial base, the inter-theater, the intra-theater, and to the point of need. *Transforming Naval Logistics for Great Power Competition* strategy identifies four LOEs: 1) Integrate Command and Control, 2) Enable

Assured Power Projection, 3) Strengthen Sustainment for Distributed Operations, and 4) Improve Logistics Resilience. Each LOE is supported through the 5R model, and the integration of these elements captures the essential requirements to posture capability ashore and afloat in ways that enable the Fleet and Force to operate globally and be sustained indefinitely.

All readiness starts from the Shore, illustrating the criticality of Shore investment. Meeting national objectives requires operationalizing the Shore to be mission-ready, secure, and sustainable alongside our Fleet. Moreover, operating in a contested environment necessitates a Shore enterprise that is completely integrated into the fight - a battlespace that requires persistent, agile, and flexible naval combatants, with a logistics enterprise that mirrors these same characteristics. Fleet readiness and lethality rely on a combination of afloat and ashore platforms and payloads. We continue to employ principles of the *Navy Global Strategy Ashore* to enable and improve Fleet readiness. Shore platforms are the locations that develop, generate, and employ forces for direct support to the Fleet. Shore payloads are the infrastructure, support services, and people performing mission-related functions at an installation. The combination of Shore platforms and payloads comprise strategic and operational mission sets, such as 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). Our budget maintains momentum for achieving a sustainable, modern, resilient, and ready network of installations and contingency locations that deliver Fleet readiness and combat logistics capability in a contested environment.

American security rests upon our ability to control the seas and project power. The Navy's Logistics Enterprise is mission capable for day-to-day operations, but must improve to meet the challenges of a sustained increase in Fleet operational tempo, particularly in the INDOPACOM AOR where the pacing threat is exacerbated by the tyranny of distance. The logistics enterprise must be prepared to enable and sustain readiness across the competition continuum and quickly evolve from a 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 with fully integrated Shore platforms seamlessly delivering the 5Rs of Maritime Sustainment in support of Distributed Maritime Operations and Expeditionary Advanced Base Operations. Our

budget reflects the Navy Logistics Enterprise's prioritization of investments deemed critical by the Fleet to support warfare readiness and commensurate shore capability.

### ***Military Construction (MILCON)***

Military Construction is one of several mechanisms that the Navy uses for optimizing Navy installations to enable global logistics and warfighter development, generation, and employment from the Shore. PB-24 continues to invest in projects supporting new platforms and the Shipyard Infrastructure Optimization Program (SIOP), while also investing in critical posture projects in support of Guam. Our PB-24 submission reflects the Navy's top priorities, including investment in support of new platforms, SIOP, and other key facilities/infrastructure enabling readiness. This prioritization is based on the total view informed by the *Navy Global Strategy Ashore* as well as Fleet and COCOM priorities and installation readiness requirements.

The FY23 MILCON enactment included a total of \$3.75 billion for 26 projects, unspecified minor construction and planning and design. Your support in providing \$635M will resource an additional six projects on Navy's MILCON unfunded priority list. This included investments for critical Ordnance Facilities in Hawaii, Airfield Pavement Upgrades at Whidbey Island Washington, Electrical Utility Upgrades at Camp Lemonnier, Djibouti, and pier upgrades in San Diego, California.

The Navy's PB-24 MILCON request is \$4.7 billion for 19 projects, MILCON Planning and Design, and Unspecified Minor Construction (UMC). Included in this request are funds to begin construction on the Shipyard Electrical Backbone at Puget Sound (P891). Additionally, our budget supports numerous Pacific Deterrence Initiative (PDI) related projects establishing critical communications nodes in Guam. Along with funding, a key element to sustaining progress on these PDI projects is the extension of the exemption from the H-2B visa temporary need requirement through 2029. We look forward to partnering with Congress, Guam, and other federal stakeholders to set the conditions for the success of these efforts.

This request also contains funds to continue construction of previously awarded SIOP projects at Pearl Harbor, Norfolk, and Portsmouth Naval Shipyards as well as funds to continue Submarine Pier 3, Norfolk to support additional berthing for Los Angeles and Virginia Class submarines. The Navy is also requesting four projects required to establish new footprint infrastructure to support fielding of new warfare platforms. The Navy is requesting projects to

support Sailor quality of life by adding two new Child Development Centers (CDCs) in the Norfolk area while including funds for continuing planning and design on an additional 12 CDCs for future years. The PB-24 request also supports infrastructure improvements of critical weapons storage and handling facilities at Naval Weapons Station Yorktown and Submarine Base New London.

### ***Shipyard Infrastructure Optimization Program***

The SIOP is a holistic investment plan that integrates 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. Infrastructure in the four Navy public shipyards is rapidly deteriorating and nearing a century in age. When fully executed, the SIOP will deliver required dry dock repairs and upgrades to support current and planned future classes of nuclear-powered aircraft carriers and submarines, optimize workflow within the shipyards through significant changes to their physical layout, and recapitalize industrial plant equipment with modern technology that will substantially increase productivity and safety. The Navy is utilizing a first-of-its-kind infrastructure acquisition process for SIOP, similar to that used for major defense acquisition programs. The SIOP-tailored acquisition process guides program execution and establishes threshold and objective parameters for overall cost, schedule, and performance of the SIOP at each shipyard with total program cost.

Over the past year, the Navy has awarded Area Development Plan (ADP) contracts for Norfolk Naval Shipyard and Portsmouth Naval Shipyard, in addition to the previously awarded Puget Sound Naval Shipyard ADP contract. The ADP for Portsmouth Naval Shipyard is scheduled for completion in FY24, with Norfolk Naval Shipyard and Puget Sound Naval Shipyard in FY25. Additionally, the Navy commenced the second phase of industrial modeling for all public shipyards. This work will model workflows inside the facilities and inform detailed project level planning and design for future SIOP construction. The Navy also commenced project planning studies for Waterfront Production Facilities at Pearl Harbor Naval Shipyard, Puget Naval Shipyard, and Norfolk Naval Shipyard. The SIOP is embracing the Administration's objectives for environmental stewardship, climate change, and energy and water resiliency into

modernization efforts, in compliance with Navy criteria and industry standards. The Navy remains committed to working with Congress, U.S. Department of Defense leadership, the shipyard workforce, impacted communities, regulators, and industry leaders to determine the best path forward for the SIOP at each shipyard.

### ***Infrastructure Sustainment and Restoration***

Viewing our installations as platforms delivering capability to naval operations, our PB-24 investment in Facility Sustainment, Restoration, and Modernization (FSRM) continues to fund infrastructure readiness in support of naval missions. PB-24 funds Sustainment (ST) at 100% for Nuclear Deterrence mission requirements and 87% for all remaining DoD-modeled requirements. PB-24 also adds demolition funds to reduce the Navy's footprint (Q4 facilities). We recognize 40% of our Restoration and Modernization program funding is key to revitalizing degraded critical infrastructure.

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 remains flat in PB-24 and is planned to remain flat into the future. 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. As a mitigating measure, the Navy has embarked on an effort to baseline BOS costs and prioritize BOS investments based on mission output. For example, in FY23, the Navy prioritized BOS funding to support increased Fleet operational and installation security requirements, at the expense of other programs and services within the BOS program. While decisions such as these are not ideal, they are risk-informed.

### ***Installation Resiliency***

Naval operations and climate can, and should, live in harmony. The Navy works to ensure installations and infrastructure are resilient to a wide range of challenges in the near- and long-term, including extreme weather events, water scarcity, sea level rise, recurrent flooding, wildfires, and other environmental considerations and threats that can affect operations and present significant risks to mission. Investments to increase installation resilience will result in long-term readiness and cost avoidance. In the same vein, we are targeting non-resilient infrastructure that does not contribute to lethality or Fleet readiness for divestment. We have

seen the consequences of the increasing frequency of extreme weather events on our installations. These events impair testing activities, increase the number of black flag day prohibitions for training, degrade the readiness mission, and impose risk to personnel. Through our Mission Assurance Assessment Process, we continue assessing all hazards and ensure operability of our installations across the globe through evaluation of the probability and the mission impact of climate risks. PB-24 focuses on investments to improve the Navy's resilience posture. Our budget includes several supporting projects including the planning and design of two net-zero building retrofits, upgrading building control systems for improved cybersecurity and energy savings, initiating carbon footprint assessments that identify energy savings opportunities at Navy installations, planning and installation of Electric Vehicle Support Equipment and leasing of non-tactical zero emission vehicles, the greening bases initiative, xeriscaping projects, and greenhouse gas emissions tracking and reduction. By incorporating climate change considerations into the decision-making process for shore investment, the Navy gains warfighting advantages, remains agile, preserves decision space, and reduces climate hazard risks to missions and operations.

### *Quality of Service*

Our Navy faces challenges with accession and retention of Sailors and the overall health and welfare of the force. A comprehensive and integrated approach is needed to improve the Quality of Service (QOS) experienced by our single most important resource, our Sailors. By definition, Navy QOS is the product of Quality of Work (QOW) and Quality of Life (QOL); however, there are currently no holistic policies nor quantifiable metrics for QOS. In order to attract, retain, and support personnel who volunteer to serve in our Navy, we must set the conditions for their success.

Current initiatives to address aspects of QOS include GRGB Sprints associated with Sailor Pay, scheduled CNO ship availabilities, and Unaccompanied Housing (UH) to address near-term solutions while long-term solutions are developed. Additional improvements in QOS are achieved through the Navy's commitment to continuously improve government and public-private venture family housing and UH programs, and the Shore and Base Operating Support Cross Functional Teams, working to improve both facilities and services.



VCNO recently tasked me to establish the Navy QOS Board of Directors to institutionalize responsibility for a comprehensive and integrated approach to how the Navy measures, prioritizes, and addresses improving the QOS of our Sailors and their families. Improving the lives of our Sailors and their families is paramount to our Navy's success. This effort requires dedicated involvement from all stakeholder organizations to ensure the Navy continues to improve and deliver on the expectations of our Sailors.

One significant challenge for many Sailors and families is access to childcare. The Navy leverages a variety of approaches to meet this need. The Navy has the capacity to provide high quality care for 34.5K children ages 0-12. The current waitlist is 5.5K, down from 6.7K in FY22. Child and Youth Programs (CYP) are challenged with capacity shortfalls for ages 0-5. While childcare shortages are a national issue, the Navy experiences the most shortages in Norfolk, VA; San Diego, CA; Bremerton, WA; Pearl Harbor, HI; Jacksonville, FL; and the National Capital Region.

Multiple efforts are underway to reduce wait times for Navy childcare. In FY22, Navy raised entry-level direct care staff salaries from \$16.70 to \$17.39-\$21.52 per hour, depending upon locality, to keep Navy CYP entry-level positions competitive with the private sector. Entry-level staff have minimum qualification requirements and receive automatic pay increases in the first 18 months of employment. Additionally, last year Navy implemented a CYP employee childcare discount (50% 1st child, 20% additional children) in coordination with DoD and the other Services. Early results indicate an increasing trend in new hires. In FY23, Navy released a Request for Proposal (RFP) in Jacksonville, FL for contracted childcare spaces in the community. Navy is reviewing proposals to support capacity expansion initiatives. Navy released an RFP for a child and youth management cloud-based system. The new system will improve management functionality and provide a parent portal to reduce paperwork and improve communication between parents and CYP staff.

While we have made great strides over the last few years, challenges remain. As we continue to expand Military Childcare in Your Neighborhood Navy fee assistance to 6,000+ spaces in FY23, Navy CYP will reevaluate the need for additional spaces based on demand for care, funding, and community capacity. The Navy will continue to pursue community partnerships and explore military construction of new or expanded CDCs to achieve capacity

goals and provide these critical services to our Navy personnel and their families particularly where community support is unavailable or insufficient.

UH provides eligible Sailors with housing and related services to support the Navy's mission and readiness. The Navy is targeting investments to improve the condition of UH facilities and identify adequate buildings, or buildings that can be made adequate, specific to the requirements of each installation. As of the end of FY22, 60% of Navy Permanent Party UH bedrooms have a Condition Index (CI)  $\geq 80$ ; the Department of Defense performance goal is to maintain 90% of Permanent Party UH bedrooms at a facility CI  $\geq 80$ . The Navy instituted a QR Code program across the enterprise to simplify and improve the maintenance reporting process for UH. Since the rollout, there has been a 24% increase in service calls with a quarter of all calls generated via the new process. The Navy increased focus on the UH Inspection program with a Joint Services Standardized Inspection Form and mandatory reporting in enterprise Military Housing (eMH), the housing management system. With a recent emphasis on inspections, to include Command Inspections, the Navy has experienced a nearly 25% increase in inspections in the first quarter of FY23, leading to greater awareness of the status of our housing facilities and faster resolution of identified problems.

Since inception in FY22, the Navy's integrated UH Working Groups continue to inform budgeting and programming decisions. Navy is addressing who we house, where we house them, and how we house them, and improving amenities to include Wi-Fi. The Navy is also addressing the condition of all UH facilities, UH related policies and regulations, and UH facility and BOS investments. In accordance with the FY22 NDAA, Section 2814, the Navy is investing over \$88M per year for UH Restoration and Modernization. The Navy is planning to increase Facilities Sustainment, Restoration, and Modernization to \$341M in FY24-FY26 to repair poor and failing UH facilities. Specifically, in FY24 these funds address failing UH at Oceana, Lemoore, Ventura County, San Diego, and Containerized Living Units at Camp Lemonnier, Djibouti. The Navy will identify additional projects in FY25 and FY26, in conjunction with a full FYDP and beyond investment plan for POM25.

### ***Conclusion***

The Navy is driving institutional and cultural change to meet the challenges facing the Shore while developing, generating, employing, and sustaining naval forces through Shore

platforms and payloads. Recognizing fiscal constraints, we must nevertheless seek continuous improvement in the Shore enterprise, increasing its effectiveness as a fully integrated force multiplier, enabling the Navy to succeed in strategic competition. In our PB-24 budget, we have made deliberate, risk-informed choices to support complementary goals from the NSS, NDS, and the CNO's Navigation Plan- a free, open, prosperous, and secure international order; safeguarding and advancing vital U.S. national interests by protecting the security of the American people, expanding economic prosperity and opportunity, and realizing and defending the American values; and a combat-credible Navy prepared to fight and win should diplomacy and deterrence fail.

Thank you for the opportunity to testify before you today. It has been my pleasure and honor to work with you over the past few years to meet shared goals for our country. We look forward to working with you in the continued pursuit of warfighting capability, readiness optimization both afloat and ashore, and support for our Sailors and their families.