

NOT FOR PUBLICATION UNTIL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

**STATEMENT OF
VICE ADMIRAL JEFFREY T. JABLON
DEPUTY CHIEF OF NAVAL OPERATIONS FOR
INSTALLATIONS AND LOGISTICS
U.S. NAVY**

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

**OF THE
COMMITTEE ON APPROPRIATIONS
APRIL 11, 2024**

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Introduction

Chairman Carter, Ranking Member Wasserman Shultz, distinguished members of the Committee, thank you for the opportunity to testify on the importance of our infrastructure, its resiliency, and the entirety of support required to meet critical Navy and Joint Force missions. It is an honor to appear before you and represent the thousands of Navy Sailors and civilians who work and live at our 70 installations around the world. Backed by strong support from Congress, the Navy continues driving improvements in our installations to maximize the operational readiness of our forces as well as the Quality of Service for our Sailors and their families. Thank you for your trust, confidence, and commitment to ensuring our Navy's ability to preserve the peace, respond in crisis, and win decisively in war.

Evolving Our Strategy to Operate at Scale

The Chief of Naval Operations recently issued *America's Warfighting Navy*, outlining the Navy's goals and priorities in alignment with the *National Security Strategy (NSS)* and *National Defense Strategy (NDS)*. Through the framework of Warfighting, Warfighters, and Foundation, the Navy will deter aggression, defend our national security interests, and preserve our way of life. Our Naval Logistics Enterprise (NLE) is an essential part of our operations to address strategic challenges including the People's Republic of China as the pacing threat, Russia as an acute threat, support for Ukraine's fight to remain a democratic, independent, and sovereign nation, and AUKUS, a generational opportunity to strengthen military capabilities and the prosperity of the United States and two of our vital allies. *America's Warfighting Navy* conveys the CNO's direction to deliver power for peace while remaining postured and ready to fight and win as a part of the Joint Force. The CNO's guidance directs the Navy to view everything we do through a warfighting lens to ensure our Navy remains the world's preeminent fighting force. Additionally, the Navy will employ principles of mission command to empower leaders at all levels to operate in complex environments and take bold action with confidence, while earning and reinforcing the trust and confidence of the American people every day. The NLE delivers critical capabilities that underpin *America's Warfighting Navy* through our priorities of Warfighting, Warfighters, and the Foundation that supports them.

Our success in delivering decisive combat power depends on sustainment – our ability to maintain and prolong operations until successful mission accomplishment. The *Maritime Sustainment Strategy: Sustaining Naval Forces Across the Competition Continuum (MSS)* outlines the CNO’s strategy for moving with purpose and urgency to improve the Navy’s capabilities, capacity, and competencies relative to this critical warfighting function. An evolutionary document, the MSS introduces ‘sustainment in depth’ – a layered, systemic approach designed to build genuine agility and resiliency into our logistics enterprise.

The MSS begins with the principle that all sustainment starts from the shore. Ultimately, the end state of the MSS and sustainment in depth is a Navy capable of providing the right materiel and services, at the right place and right time, across the competition continuum, regardless of operational tempo and level of demand from distributed operational forces. Ashore platforms (our installations or “decks”) and payloads (installation capabilities) form the foundation of this goal. From this baseline, the MSS establishes four lines of effort, aligned with the Joint Staff’s Joint Warfighting Concept - *Operationalize the Shore, Integrate Logistics Command and Control, Enable Assured Power Projection, and Strengthen Sustainment for Distributed Operations*, integrated across the five Maritime Sustainment Vectors: Rearm, Refuel, Repair, Resupply, and Revive, and three crosscutting enablers of *Data, Distribution, and Decks*. The MSS illustrates the criticality of deliberate, impactful infrastructure investments that fully integrate the shore enterprise as a warfighting capability.

The Navy’s FY-25 budget maintains our momentum for achieving a sustainable, modern, resilient, and ready network of installations and contingency locations that deliver Fleet readiness and combat logistics capability across the continuum of peacetime, competition and conflict to effectively sustain warfighting and our Warfighters at scale.

Military Construction (MILCON)

The Navy’s MILCON budget optimizes Navy installations to enable global logistics and Force development, generation, and employment from the shore. PB-25 MILCON requests \$3.4B for a total of 11 projects, MILCON Planning and Design, and Unspecified Minor Construction. PB-25 also continues to invest in projects supporting the Shipyard Infrastructure Optimization Program (SIOP) and other critical infrastructure requirements. PB-25 funds the

first increment of Dry Dock 3 Modernization, Portsmouth VA (P1062) and continues to fund increments for previously awarded SIOP projects at Portsmouth and Pearl Harbor naval shipyards. PB-25 funds 6 projects required to establish new infrastructure to support fielding of new warfare platforms. The Navy included additional Planning and Design funding to accommodate for SIOP MILCON project Multi-Mission dry dock, Naval Base Kitsap, Washington (P454). PB-25 also funds Fallon Range Training Land Acquisition (P445), which was authorized in FY23 but had not yet received appropriations.

Our PB-25 MILCON request reflects the Navy's top priorities – investment to support new Warfighting platforms, SIOP and other critical facilities/infrastructure that contribute to readiness. MILCON investment, together with Restoration and Modernization (RM), and Facilities Sustainment (ST) funding is critical to restore and sustain Fleet Readiness. CNO Guidance, Fleet and Combatant Commander input, and installation readiness requirements informed the prioritization of funds.

SIOP

The SIOP will deliver dry docks to support current and planned classes of nuclear-powered warships, optimize workflow through significant changes to the shipyards' physical layout, and replace obsolete capital equipment with modern technology that increases productivity and safety. Recapitalizing century-old infrastructure improves the Quality of Service for our 37,000+ shipyard employees and Sailors. The shore support and resilient infrastructure delivered by SIOP sustains the US Navy's nuclear powered platforms and Warfighters. The Navy's four public shipyards, which maintain both nuclear and non-nuclear-powered ships and submarines, are critical to National Defense. Recapitalization of shipyard infrastructure, to include dry docks, is also critical to maintain throughput and ensure our ships can deploy on time, putting more players on the field. SIOP's planned execution is closely coordinated with Fleet maintenance schedules and integrated with regular shipyard operations to ensure synchronization.

The PB-25 budget submission for SIOP invests \$2.8B in FY25 and a total of \$9.0B across the FYDP. PB-25 funding will support ongoing work for the replacement of Dry Dock 3 at Pearl Harbor Naval Shipyard, utilities upgrades at Norfolk Naval Shipyard, a Multi-mission

Dry Dock at Portsmouth Naval Shipyard, and modernization of Dry Dock 3 at Norfolk Naval Shipyard. As the SIOP program matures, the Navy is mindful of the need to control costs to the greatest extent possible and coordinate with Congress for shared success. To these ends, the Navy has implemented a standard cost estimating system for SIOP to maintain fidelity and history across projects, sites, and time. Additionally, the Navy published a “Shipyard Design Specification” that serves as common design criteria for all forthcoming SIOP projects to drive standardization, maintainability, and cost predictability. I remain committed to working with Congress in this generational effort to improve both the Navy’s ability to maintain our nuclear platforms and support Quality of Service improvements for our Sailors and shipyard workforce.

Quality of Service (QoS)

Our Navy continues to face challenges with recruiting new Sailors and the overall health and welfare of the force. Our sailors, civilians and their families are the backbone of our Navy, the true source of our Naval Power, and the Navy cannot operate without a proficient, innovative and motivated workforce. We rely on our Warfighters to protect the Nation and its interests. As you may know, the Navy - and our Naval Reservists, in particular - are providing much of the logistics support to Freedom of Navigation operations in the Red Sea. Additionally, the Navy activated three Reduced Operating Status (ROS-5) Sealift vessels, one Ready Reserve Force (RRF) Large Medium Speed Roll-on/Roll-off (LMSR) and two Maritime Prepositioning Force (MPF) Roll-on/Roll-off Container (ROCON) ships, to support Army Joint Logistics Over the Shore (JLOTS) Foreign Humanitarian Aid (FHA) operations in Gaza. Navy Sealift will transport a floating pier, equipment, and personnel to support the JLOTS FHA mission. Quality of Service (QoS) is the combination of Quality of Life, which is the experience of a Sailor and their family outside the workplace, and Quality of Work, which is the Sailor’s experience in the workplace. We owe it to our Warfighters to care for them and their families, providing a QoS that meets or exceeds established standards.

The Navy is committed to enhancing QoS for our Warfighters at work and at home through an integrated and comprehensive approach, which aligns with the CNO’s recently released *Culture of Excellence (COE) 2.0*. COE 2.0 is the foundation by which our Navy builds its Warfighters - our people, leaders, and teams - as a key enabler of delivering decisive combat power. Alongside the QoS-related funding of SIOP projects and MILCON in support of

operations, are the equally essential Quality of Life investments in Unaccompanied Housing (UH) and Child and Youth Programs (CYP), the combination of which will maximize the QoS experience of our personnel. In PB-25, the Navy increased Restoration and Modernization (RM) funding for UH to address critical repairs. The FY-25 budget requests \$206M to effect repairs for facilities at NAS Lemoore, NAS Oceana, Joint Base Pearl Harbor Hickam, NSA Bahrain, SUBASE Kings Bay, and NAVBASE Kitsap. Through the rest of the PB-25 FYDP, additional UH investments are planned for NAVBASE Coronado; NAS Pensacola; Portsmouth Naval Shipyard; Camp Lemonnier, Djibouti; Lackland Air Force Base; and Naval Station Rota, Spain. In addition to these plans, the Navy continues to implement, evaluate, and expand other Quality of Life initiatives including the high-speed Wi-Fi pilot initiated at twelve permanent party Navy UH sites in the Hampton Roads, Virginia area. Provided to our Sailors free-of-charge, the Wi-Fi pilot will run through September 2024, at which time performance metrics and feedback from our Sailors will inform follow-on implementation plans.

CYP provide affordable, quality child and youth program services and are a workforce enabler that directly enhances the readiness, efficiency, and retention of Navy personnel. Our PB-25 submission requests \$437.4M in FY-25, which fully funds Navy child and youth programs and services for ages 0-18. The Navy is expanding access to childcare by enhancing efforts to recruit and retain childcare professionals, seeking innovative partnerships, expanding community-based fee assistance, and increasing on-base capacity through military construction projects.

The quality of CYP is high, but the Navy experiences capacity shortfalls. This is most prevalent in the fleet concentration areas of Norfolk, San Diego, Kitsap, Pearl Harbor, Jacksonville, and the National Capital Region. The current total waitlist for Navy Child Development Centers (CDCs) is 3.5K (down from 5.3K at the start of FY23). With ~88% of CYP direct care billets filled, staffing shortages have an impact on childcare capacity. The Navy increased pay, recruitment bonuses, childcare discounts, and expedited onboarding to increase staffing levels. Military Child Care in Your Neighborhood (MCCYN) fee assistance is available to geographically dispersed families or families in locations with long waitlists for on-base care. In FY23, the Navy expanded fee assistance to over 6.5K spaces. The Navy continues to pursue MILCON, facility sustainment (including equipment), and playground funding to improve or

maintain the condition of our CDCs and School Age Care facilities. Solving care capacity issues requires a multifaceted approach between the Navy and the community, which the Navy will continue to pursue.

While funding for these critical programs remains a challenge, we are committed to working with Congress to target investments that deliver the highest QoS dividends. We welcome continued collaboration with, to include this subcommittee and the House Armed Services Committee's Quality of Life panel to improve programs in support of our Sailors and their families including childcare, compensation, housing, and spousal support programs.

Installation Resilience

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 and present significant risks to mission.

PB-25 continues our focus on resilient, mission ready installations by improving our climate resiliency and energy security. Our PB-25 request includes \$624M over the FYDP to improve installation utility infrastructure to support resiliency electrification of facilities and mobile assets. From a FY15 baseline, the Navy reduced facility energy use intensity by 8.2%, reduced water use intensity by 20.7%, and avoided one million metric tons of carbon dioxide equivalent (CO₂e) through energy savings initiatives.

PB-25 continues our previous year investments in nature-based solutions aimed at minimizing risks from erosion, extreme temperatures, flooding, drought, storm surges, and other climate hazards; upgrading our building control systems to improve cybersecurity and energy savings, and transitioning our vehicle fleet to zero emission vehicles. In addition, we continue to explore opportunities to expand third party financing, leveraging private capital to improve reliability and resilience with minimal investment. This past year, as part of a third party financed contract, we commissioned a 20 Megawatt Liquefied Natural Base Power plant at NS Guantanamo Bay, projected to save an estimated \$10M in annual fuel costs and curtail 20,000 metric tons of CO₂ emissions annually.

PB-25 includes various energy security investments to include \$21M across the FYDP for conducting carbon footprint assessments to identify energy savings opportunities, \$2M in FY25 for supporting energy security at main operating bases, and \$10.7M across the FYDP for increasing installation energy resilience workforce. We remain focused on identifying vulnerabilities and increasing resilience via our black start exercises which test an installation's ability to continue its mission upon total loss of commercial power. We completed 13 exercises in FY23 with 12 planned in FY24. Lastly, we continue to work to strengthen our partnerships with communities, states, and allies and partners outside our fence line, increasing our capability to respond to and recover from climate-caused, or manmade disruptions that impact our fleet operations.

Base Operating Support and Facilities Sustainment, Restoration and Modernization

A balanced infrastructure investment strategy requires focused, stable investment to address mission requirements supporting the Warfighter and warfighting, along with the core infrastructure that is the force enabler and multiplier for all supporting missions. Our Shore installation platforms require Facility Sustainment, Restoration and Modernization (FSRM) funding, in addition to MILCON, to accomplish planned workload. 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.

I would like to thank Congress for the \$268M increase in our FSRM funding for FY24. These funds will enhance our ongoing efforts to improve utility infrastructure, safety, and repair projects on our Navy installations. We look forward to further collaboration with Congress to fund other critical sustainment, restoration, and modernization projects.

The FSRM PB-25 budget outlook demonstrates a slight increase in RM funding in FY25, followed by a general decrease in RM funding across the FYDP. Sustainment funding, which maintains facilities at their current state, is projected to remain relatively constant across the FYDP between 77% to 80% of the overall OSD modeled sustainment requirement. However, in FY25, sustainment funding has been targeted to 100% for Nuclear Deterrence, Naval Operational Architecture, Unaccompanied Housing, and fitness centers.

Restoration and Modernization (RM) funding is key to revitalizing critical infrastructure that has experienced degradation and investments are targeted towards the most impactful warfighting enablers. Increased funding for the utilities and fuels programs is critical to account for recent volatile global markets and to ensure “must pay” bills do not take funds at the expense of fleet modernization RM projects.

The PB-25 BOS program is prioritized across the FYDP to support non-inflationary utilities requirements in support of third party financing agreements, new facilities, and revised utilities cost sharing with the government of Japan, as well as fire and emergency services and all-hazards response to Navy ports and other shore locations. Funding for the BOS program remains essentially flat across the FYDP, which translates to reduced buying power.

Conclusion

Our PB-25 budget request is a strategy-driven submission that will sustain the most lethal, resilient, survivable, agile, and responsive Navy in the world. As we built our request, we made difficult choices across the spectrum of requirements. We believe our submission strikes the most effective balance of investments to ensure a free, open, prosperous, and secure international order, build a resilient defense ecosystem, and deliver power for peace while remaining postured and ready to fight and win.

Thank you for the opportunity to testify before you today, and thank you for supporting our uniformed personnel, civilians, and their families who are all over the world doing incredible work on behalf of the security of this country – a world that is dangerous, complicated, and interconnected. I understand and embrace the depth of my responsibilities as Deputy Chief of Naval Operations for Installations and Logistics, and I 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.