

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

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ACTING SECRETARY OF THE NAVY

ON DEPARTMENT OF THE NAVY POSTURE

BEFORE THE
HOUSE ARMED SERVICES COMMITTEE

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Introduction

Chairman Smith, Ranking Member Rogers, distinguished Members of the Committee, thank you for the opportunity to discuss the posture of the Department of the Navy (DON). I appreciate the hard work of the Members and Staff of this Committee to ensure funding stability and principled oversight for every Sailor and Marine now standing watch around the world.

The reemergence of long-term strategic competition from China and Russia is spurring a period of rapid transformation in the global security environment. The disruptions related to the COVID-19 pandemic underscore the need for agility and distributed readiness. Climate change is accelerating, and its impact on both our planet and force will continue to grow as significant weather events threaten our infrastructure, and the arctic opens to unprecedented activity.

In a world more interconnected and interdependent than ever before, a fully integrated and forward maneuverable Navy-Marine Corps Team has never been more important to the security of our Nation and the preservation of the rules-based international order. We must protect our nation, our allies and partners, and our global interests, while also leading on the urgent issues facing our personnel and planet, from the mental and physical health care needs of our people, to the scourge of sexual assault and harassment, to the need for diversity and inclusion at every echelon, to the ongoing threat of climate change.

General Berger, Admiral Gilday, and I stand united in our resolve to ensure your DON will be ready for the global challenges before us with the personnel, platforms, and technology to secure vital sea lanes, stand together with our allies, and protect the United States of America.

Defend the Nation

The President's Budget submission for FY 2022 (PB22) reflects hard choices to divest of less capable platforms and systems to invest in a powerful and superior future force. Throughout the budget process and in all aspects of capability acquisition, design, construction, and deployment, we must balance the urgent readiness needs of our force today with investments in the future force and effective business process reforms in order to ensure our Sailors and Marines are always ready to fight and win in any clime or place.

Force Posture

The presence and availability of naval forces must always reflect the strategic needs of the Nation, providing effective options for the President and Secretary of Defense to counter every challenge. To ensure preparedness, the DON provides maximum operational flexibility through warfighting concepts including Distributed Maritime Operations, Littoral Operations in a Contested Environment, and Expeditionary Advanced Base Operations, ensuring continual overmatch and flexibility in the battle space.

Secretary Austin has identified China as the pacing threat for our military forces, and we will continue to position our integrated global maritime force to lead in the Indo-Pacific. But ours is a global force with global responsibilities, including increased Russian presence in the Atlantic, terrorism and instability in the Arabian Gulf, an increasingly blue arctic, a global need for agile and ready Marine forces to respond to the unexpected in every domain, and the constant threat of cyberattacks to our force, support infrastructure, industrial base, and supply chain.

The DON FY22 budget request delivers ready maritime forces through sustained investment and performance improvement, developing more lethal, networked capabilities and concepts, closely integrated between the services and with our joint force and government partners. Within limited resources, we will field the right platforms and capability to maintain freedom of the seas, support international law, and stand by our allies as we continue to fly, sail and operate wherever international law allows.

That spirit is reflected in the guidance put forth by our services. I support Admiral Gilday's *Navigation Plan*, which refocuses our integrated all-domain naval power on the core functions of sea control and power projection we need to compete and win. It places a high priority on a more lethal and better connected fleet to project power from blue water, to the littorals, to the shoreline and beyond.

The guidance centers on four lines of effort:

- Deliver a More Ready Fleet. Deliver a Navy that is organized, trained, and equipped to deploy forward and win in day-to-day competition, in crisis, and in conflict.
- Deliver a More Lethal, Better-Connected Fleet. Deliver a Navy capable of projecting synchronized lethal and non-lethal effects across all domains.
- Deliver a Larger, Hybrid Fleet. Grow a larger, hybrid fleet of manned and unmanned platforms – under, on, and above the sea – that meets the strategic and operational demands of our force.
- Develop a Seasoned Team of Naval Warriors. Develop a dominant naval force that can outthink and outfight any adversary.

To meet the forward maneuverable force requirements of the Joint Force long into the future, the Marine Corps has put into motion an aggressive modernization of the Service. I support General Berger's *Force Design 2030*, which is not simply an improvement on its existing form and function. It is a transformational effort rooted in the anticipated challenges of the future operating environment. Building on the cooperative efforts of all of our sea services, the Marine Corps is reinvigorating the Fleet Marine Forces within existing resource constraints as an indispensable element to global maritime operations.

The goal of Force Design 2030 is to provide a Marine expeditionary assets that will:

- Successfully compete with peer adversaries in the maritime gray zone
- Deter, and if required, fight and win in support of naval campaigns
- Facilitate sea denial and sea control
- Win the reconnaissance and counter-reconnaissance competition
- Persist inside actively contested spaces
- Be capable of “rapidly sensing, making sense of, and acting upon information” inside an adversary’s weapon engagement zone.

Across both services and throughout the DON, we are executing force designs centered on Naval Expeditionary force deployment, giving us a sustainable edge and a resilient capability to deliver the integrated all-domain naval power required by the Joint Force. We are investing in the readiness of the integration-ready platforms to ensure continued freedom of action throughout the maritime domain, from amphibious and ground element equipment, to agile warships and

submarines, to dominant aircraft carriers and air wings. Successful implementation of the concepts within the *Navigation Plan* and *Force Design 2030* will be pursued through a unified, integrated effort at every echelon.

Maintain the Edge

We greatly appreciate the Committee's efforts to ensure funding stability and predictability over the past several years. This has given our force the agility and flexibility needed to address emerging threats, to invest in critical future capabilities for our integrated naval force, while shifting away from less beneficial spending.

The DON is building on this foundation by aggressively pursuing better readiness, lethality, and capabilities in those areas of warfighting technology showing the greatest promise of delivering non-linear warfighting advantages. From artificial intelligence and cyber weapons to unmanned platforms and directed energy, we are on the cusp of technological breakthroughs that will define future conflict. Our future force will be defined by our decisions today.

We will continue to invest in key naval capabilities to control the seas and project power in every domain. We will field a resilient, networked, and dispersed fleet, connected through the Naval Operational Architecture to provide decision advantage in contested environments. We will continue to invest in advanced technologies such as long range hypersonic and directed energy capabilities to ensure maximum reach, survivability and decision space for our forces.

Our number one shipbuilding priority remains resourcing COLUMBIA SSBN for on-track delivery in order to ensure the future strength of the most survivable leg of our Nation's nuclear

triad. We are also advancing our asymmetric undersea attack advantage through the Tactical Submarine Evolution Plan, including follow-on Blocks VI and VII of the VIRGINIA Class, and the SSN(X) program. We are advancing battle force shipbuilding programs such as the CONSTELLATION class frigate and the GERALD R. FORD class carriers, as well as enhancing our fleet capabilities through additional battle force ships.

We are also extending the reach of our warriors from the sea with the addition of sea-based platforms such as USS MIGUEL KEITH, our third Expeditionary Sea Base, which was commissioned on May 8th. To ensure our Marines maintain their edge, we will continue to invest in key Marine Corps development programs that support the Marine Corps Force Design concept, such as the Ground Based Anti-Ship Missile, Ground Based Air Defense, Medium Altitude-Long Endurance Unmanned Aerial System, Long Range Unmanned Surface Vessel, and the Light Amphibious Warship. These enhance the ability of Marines to maneuver and deter competitors within range of enemy weapon systems.

Targeted investments in key emerging technologies and capabilities will enhance and sustain amphibious battlefield maneuverability ashore and superiority at sea, with the support of properly resourced facilities, infrastructure, and systems to sustain our frontline forces.

Continual Readiness

Hard experience has shown long term readiness cannot be sustainably achieved through “can do” and “make do” improvisation. Our front line personnel may be determined, adaptive, and skillful enough to get the job done in the face of equipment shortfalls and intense battle rhythms, but

relying on their adaptability is no substitute for genuine fleet readiness. We owe it to the Sailors and Marines out in the fleet to make sure they always have the tools they need to do the dangerous jobs we ask of them.

The changes generated from the Readiness Reform and Oversight Council (RROC) and other introspective efforts have enabled us to improve readiness, training, and maintenance processes at every level. For example, we've implemented a uniform readiness assessment and certification process that must be followed before a ship can be certified to return to the fleet. We have also increased opportunities for shipboard certification and skills enhancement, while adjusting manning schedules to maximize safety and improve quality of life and professional effectiveness for our personnel while underway. These and many other changes will result in a better prepared and equipped force.

We continue to build on our efforts to increase availability, improve maintenance, and maximize throughput, by making targeted shore investments designed to increase fleet readiness. The Navy's four public shipyards—Norfolk Naval Shipyard, Portsmouth Naval Shipyard, Puget Sound Naval Shipyard and Intermediate Maintenance Facility, and Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility—are critical infrastructure elements of America's national defense. In order to improve naval maintenance production capacity at these facilities, the DON is fully committed to the Shipyard Infrastructure Optimization Program (SIOP), comprising three primary focus areas: dry dock recapitalization, facility layout and optimization, and capital equipment and modernization. The DON is dedicating the resources and oversight necessary to ensure the required maintenance is completed across all shipyards as quickly as

possible, and has established a Program Office (PMS-555) to ensure integration of all elements of the plan.

Building on the successful Naval Aviation Enterprise efforts to meet Strike Fighter aircraft availability goals for both the Navy and Marine Corps, we are targeting greater aviation readiness across the force, incorporating commercial best practices to improve performance. Through the Performance to Plan initiative we're using data driven decision making to enable to remove the root causes of maintenance delays as well as operational mishaps. This data-driven approach is based on a "Get Real, Get Better" approach, demanding rigorous self-assessment, strong characterization of current performance, and detailed analysis backed by accountability and the opportunity to implement needed improvements.

We appreciate the Committee's interest in ensuring our Naval forces have the right facilities to train, fight, and win, even as various demands on the land, sea, and air reduce the available area for military training. Specifically, we are grateful for the Committee's continued attention to the urgent need to expand the Fallon Training Range Complex, which is necessary to the readiness of every Naval Aviator and Navy SEAL. We are listening to the interests of Tribal governments, environmental organizations, and the local community, as well as our counterparts across the Federal Government, and are committed to finding a favorable solution for everyone involved.

Combat Climate Change

The United States Navy and Marine Corps recognize the reality of global climate change, our responsibility to mitigate our contribution to it, and our need to prepare for its short and long

term effects. As we grapple with the effects of climate change on maritime operations around the globe, the DON must continue to lead and find ways to go farther, both in substantially reducing our impact on climate change and building a force that is resilient to its potential effects.

We must adapt our infrastructure for the coming changes with initiative and problem solving throughout the DON. In the past few months I have visited and recognized several Marine Corps and Navy installations that have demonstrated leadership in climate resiliency, environmental stewardship, and sustainable development. These facilities include Parris Island, Naval Base San Diego, Marine Corps Air Base Camp Pendleton, and Naval Base Point Loma. We will continue to invest in vehicles, infrastructure, and technology that increase our resiliency and efficiency, as we pursue the use and availability of alternative fuels. The DON is determined to lead from the front against the threat of climate change.

Take Care of Our People

The greatest source of readiness and strength for our force will always be the people who wear the uniform and comprise our civilian workforce, as well as the families that serve alongside them. We are committed to ensuring our Sailors, Marines, and Civilians are trained and equipped to execute the mission and return home safely, and that their families are provided with the housing, medical attention, and education they deserve.

Building the Future Force

To maintain a Fleet prepared to fight and win in long term strategic competition, we continue to evaluate and improve our capability to attract, retain, and develop a talented and diverse workforce. In the context of an intense competition for talent in our country, and in light of the rapidly evolving tactical and technical landscape, we are modernizing and enhancing our entire talent management approach to succeed.

We are continuously identifying opportunities for personnel to develop their leadership skills throughout the ranks, promoting equal opportunity in every aspect of our force. The DON is investing in the training, education, and professional development of our officers, enlisted personnel, and civilian teammates with special emphasis on partnerships with civilian institutions to enhance educational opportunities for our junior Sailors and Marines.

Eliminate Toxic Behaviors

It is a personal priority for all three of us to build a climate of trust, respect and inclusion throughout our force. A major focus of that effort must be on recognizing and stopping

destructive behaviors early and consistently, so leaders at every level can take appropriate and effective actions.

We remain determined to eliminate sexual assault, sexual harassment, and gender discrimination from every part of our force. These behaviors are a betrayal of those who have stepped forward to serve in uniform. We will continue to work with this Committee to share best practices and ideas, relentlessly pursuing a future where no Sailor, Marine, or civilian teammate ever has to fear for their own safety while protecting us all.

To assist leaders in this effort, we have developed *The Watch List: Top Five Signals of Risk for Sexual Assault*, a research-driven tool that used Navy and Marine Corps data to identify five of the key destructive behaviors that increase risk for sexual assault. These include sexual harassment, gender discrimination, lack of responsibility and intervention, lack of respect and cohesion, and workplace hostility behaviors. We have promulgated *The Watch List* throughout the Navy and Marine Corps and are actively working to develop tools that will provide operational commanders data on their units so they can take action to prevent incidents.

We are actively engaged in rooting out extremism throughout our force. In coordination with efforts across the joint force, the DON has conducted “Extremism Stand Downs” at every echelon. This process sparked important conversations and made the position of our leadership and force clear to every Sailor, Marine, and Civilian in the DON, and we will continue to build on these efforts.

Trust is at the heart of all our warriors do. Extremist ideologies are a strategic threat to that trust and have no place within the Navy and Marine Corps. We will persistently focus on this problem, and appreciate this Committee's partnership and involvement in this critical effort.

As leaders we must do all in our power to ensure that our people feel respected and valued. We cannot and will not tolerate discrimination or racism of any kind. Our core values and oath demand that we critically examine all of our policies and practices to remove inequity and unconscious bias.

Promote Mental Health

Mental health is a critical aspect of our readiness as a force – and our responsibility to our warriors and their families. We have made it a priority to ensure the ready availability of mental health professionals, chaplains, family counselors and other support professionals when our people are in need – or when they see the need in others.

I know from personal experience how helpful counseling can be during both personal and professional struggles. That's why as part of our recognition of May as Mental Health Awareness Month, I launched a series of videos encouraging leaders throughout the DON to share their personal stories of seeking and receiving counseling and help. I also emphasized this point to our newest officers at the US Naval Academy Commissioning Ceremony, and will continue promoting mental health care throughout the force. We have to remove the stigma and start the conversation, particularly as our warriors and their families contend with the added stressors related to COVID-19.

The DON is committed to ensuring the health, safety, and well-being for all members within our military community. The loss of any Sailor, Marine or civilian to suicide is one too many. The DON offers a variety of suicide prevention efforts, encouraging positive help-seeking behaviors, eliminating stigma, and increasing visibility and access to critical resources. We are constantly revisiting and revising the portfolio to meet the needs of our people, and have increased our investment in this area.

Take Care of Our People

We are reforming operating procedures and promotion practices to reward initiative, applied problem solving, and innovative thinking at every level. A top priority as we evaluate personnel practices are the needs and challenges of military families, particularly dual service families. Senior leaders are also taking a personal and hands-on approach to ensure enduring excellence in housing, dependent education, and other quality of life concerns for our military families.

Through a combination of non-monetary, quality of life, and customer service programs, we are increasing our responsiveness to the needs of the individual warfighters and their families, making continued service a viable and attractive option. We are expanding opportunities for civilians with prior service through the Targeted Reentry Program. We are also expanding avenues for personnel to learn, operate, and innovate with partners from the private sector, across the joint force, and alongside our allies.

Defeat COVID-19

With consistent personal and fleet discipline and continued refinement of best practices, we have ensured a robust, proactive, and coordinated COVID-19 response across the DON. We are preventing and containing outbreaks with minimal impact on fleet readiness, and are doing everything in our power to get the vaccine out to our Sailors, Marines and Civilians as quickly and effectively as possible.

The DON is also working with the Federal Emergency Management Agency to assist local, state, and tribal governments in the overall vaccination effort of the Nation, building on the proactive contributions to the urgent medical and security needs of the American civilian population, including the deployment of COMFORT and MERCY to our Nation's two most populous cities, and the deployment of medical personnel to facilities in communities across the country.

Like all Americans, the Navy and Marine Corps have adjusted to this global pandemic, from addressing outbreaks aboard ships, to changes in recruitment and training, to supporting our military families through extended deployments and virtual leaning. We have invested significant resources to upgrade the Navy and Marine Corps intranet to improve functionality and to enable telework for our military and civilian workforce.

The Navy and Marine Corps continue to operate under Force Health Protection measures to protect Marines, Sailors, civilians, contractors, and our military families. Across the DON, we've implemented flexibilities to help minimize risk to military personnel and their families, respond to evolving situations, and ensure the readiness of our force. We continue to use active testing

protocols to detect asymptomatic COVID-19 positive personnel, contain outbreaks aboard vessels, and conduct surveillance to detect and treat the disease as early as possible.

We will not relent in these critical measures. We are well positioned to emerge stronger than ever, as the pandemic has forced us to rethink and refine our recruitment, training, and personnel movements across the DON, as well as our shipyard operations, deployments, and maintenance schedules, with efficiencies and applications of technology that can continue to benefit our operations and throughput long after COVID-19 is in our wake.

Succeed Through Teamwork

A dominant naval force is central to the effective execution of our strategic goals. We must be ready at all times to execute as one integrated naval force – Navy and Marine Corps seamlessly linked at every level – with common logistics, infrastructure, practices and support networks – executing a fleet-wide emphasis on resilient and combat ready forces. These integrated connections must extend beyond the DON as well, encompassing our vital partners across the joint force and the whole of government, as well as our industry partners, shipyards, and allies and partners around the world.

Trust and Collaboration

Leaders throughout the DON are actively engaged with the joint force and the whole of government to meet the maritime challenges that face our nation. One key initiative of this collaboration is the Tri-Service Maritime Strategy, *Advantage at Sea*. This is was truly collaborative maritime strategic planning effort led jointly by all three of our Nation's sea services – Navy, Marine Corps, and Coast Guard. In order to execute these goals, Admiral Gilday, General Berger, Admiral Schultz and I are working together in order to promote integration, communication, and collaboration as a warfighting priority. There can be no daylight between us as we strengthen the integrated all-domain Naval power of the United States.

Operationalizing the Audit

In my previous roles as Assistant Secretary of the Navy for Financial Management and Comptroller, and while Performing the Duties of Comptroller for the Department of Defense, I saw first-hand the importance of effective, transparent examination and oversight, and I witnessed the direct relationship of accountable financial controls to our frontline strength. In my

current role as Acting Secretary of the Navy, I am determined to strengthen this process in order to provide our Congressional oversight partners with complete visibility and accountability for every dime.

Central to this effort is building on the findings of our financial statement audit process, and improving that process moving forward. As I've emphasized to senior leaders across the Navy and Marine Corps, the audit is Commander's business. Accurate inventory, proper resource allocation, redundancy elimination are all directly connected to our end strength.

We are on the right path towards obtaining an audit opinion for the Navy and Marine Corps general funds, and the DON working capital fund. We have a detailed roadmap that will guide our effort, placing a strong emphasis on budgetary reform, including receipt, distribution, execution, and monitoring.

PB22 increases investment in DON oversight functions. In addition to our work on the financial statement audit, we are looking at ways to increase effective oversight going forward, removing redundancy and duplication of effort in every part of our enterprise through the performance audit process. I have met with leaders across the government and the DOD to discuss audit planning and understand areas of high risk, and am incorporating that feedback into the FY22 audit priorities direction provided to the Naval Audit Service and our internal control program under the Federal Managers Financial Integrity Act and OMB Circular A-123. Our top priority is to ensure that our oversight capabilities and capacity is as efficient and effective as possible in order to keep our promise to the American taxpayer and the warriors on the frontline.

Sustaining Maritime Information Superiority

Leaders in every functional unit and discipline have been directed to set business systems modernization on an integrated path that is sufficiently resourced and supported across the DON. We are using data driven decision-making to achieve tangible savings while consistently working to become more effective and more efficient.

Modernization of our information technology infrastructure is a critical warfighting priority for the DON. Effective use and management of data is key to our digital transformation, and will change how we will fight and win at every level. We are consolidating legacy systems and will have moved from ten financial systems to three by the end of this fiscal year. I have established top-down performance management efforts, driven by data, to ensure the cyber resilience and strength of our defense business and warfighting networks.

As an information age naval force, every DON warfighting function and mission area is dependent on data and information to rapidly inform decision-making throughout the entire competition to conflict continuum. The dependency on secure and reliable IT has grown exponentially over the last decade and is critical to maintaining a competitive warfighting advantage. Simply put, information is combat power.

In order to generate and sustain that power, the DON is building on the findings of our Cybersecurity Readiness Review with an Information Superiority Vision, detailing how the Navy and Marine Corps will:

- Modernize our infrastructure to bring the DON to parity with industry, move data and information from anywhere to anywhere securely.
- Innovate and leverage emerging technology including 5G and Artificial Intelligence to drive capability outcomes for competitive advantage at speed.
- Defend forward with robust information protection regardless of where data resides.

Through Operation FLANK SPEED, the DON is shifting enterprise collaboration and productivity services to an enduring cloud-based Microsoft Office 365 solution which will provide world-class security and collaboration tools to improve productivity across our distributed workforce.

This initiative will modernize our infrastructure to a more cloud-enabled, performant, and defensible network allowing data and information to move from anywhere to anywhere securely. It will also improve our overall cyber readiness posture by implementing key Zero-Trust-Architecture principles; securing devices and endpoints, establishing identity and user privileges, and introducing content and data rights management.

The Marine Corps has now completed the transition of all users to Microsoft Office 365, and I have directed the transition of over 470,000 users in the Navy no later than December 31, 2021. Flank Speed will create the capabilities needed to increase Naval lethality and our ability to fight and win.

Failure to invest now will result in this effort now would further delay much needed improvements to our core technology infrastructure and leave the workforce without a sustained follow-on capability once the DOD-provided Commercial Virtual Remote capability is sunset in June 2021, extending our reliance on outdated, duplicative and less secure legacy IT systems that cost more and deliver less, further eroding DON's competitive warfighting advantage.

Strengthen Relationships with Stakeholders

Working alongside our vital industry partners, we are aligning our efforts to produce the right platforms and capabilities for the warfighter, and ensure maximum availability and throughput from design to production to maintenance.

We're working closely with our partners and suppliers in the defense industrial base to ensure the continued viability of the crucial businesses and infrastructure needed to ensure our ships, aircraft, and ground equipment are available when needed for the defense of our nation, both during the current COVID-19 challenge and long into the future. A robust, resilient, and nimble industrial base and supply chain is critical to the long term strength of our Navy and Marine Corps. Funding predictability and long term planning are key elements in ensuring the efficiency of our acquisitions and maintenance processes in partnership with a supply chain calibrated to deliver maximum value to the taxpayer and warfighter.

At our public shipyards, the DON took aggressive steps at the start of the COVID-19 pandemic to implement and require safety measures to protect the personnel, civilians, contractors, and families. These steps have included maximum telework opportunities for shipyard employees, administrative leave for high-risk individuals unable to telework, altered shifts to maximize

social distancing, sanitization and hand-washing stations throughout the shipyard, cloth face coverings and face shields for the workforce, and screening checks at all workplace entry points.

Global Engagement

We cannot meet the global challenges our Nation faces alone. Readiness requires presence and rapid capabilities in every part of the world, as well as specialized and localized knowledge to handle evolving and challenging situations. The strategic maritime defense partnerships we maintain today with our partners and allies extend the reach and power of our force. They underscore the importance of cooperation and coordination in maintaining the rules-based international order that enables so much of our global prosperity and security.

Our personnel regularly train and operate alongside their foreign counterparts, test the interoperability of our systems, and build our collective readiness on the front lines of great power competition. Operational exercises, international port calls, joint Marine force training, and other interactions generate the personal contact that builds understanding, respect, and trust across national and functional lines. Our Sailors, Marines and civilian personnel know that through their service they are front-line diplomats for our nation. Their professionalism and dedication promotes the connections that strengthen our collective security and cultivate shared ideals that send the message that the United States is a friend worth having.

Conclusion

Our Sailors, Marines, and civilian teammates will always be our greatest source of strength in a challenging and changing world. On behalf of each of these brave patriots and the families that serve at their side, I once again thank the leadership and membership of this Committee for your attention, interest, and ongoing commitment to the defense of the United States of America. It is an honor to work with each of you, and I look forward to your questions.