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THE HOUSE ARMED SERVICES COMMITTEE
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

STATEMENT
OF
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BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
STATUS UPDATE ON THE RESOLUTION OF FINDINGS AND
RECOMMENDATIONS OF THE 2014 DEPARTMENT OF DEFENSE NUCLEAR
ENTERPRISE REVIEW
25 JUNE 2015

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Introduction

Chairwoman Hartzler, Ranking Member Speier, distinguished Members of the subcommittee, thank you for this opportunity to discuss the Navy's status of findings and recommendations from the 2014 Department of Defense Nuclear Enterprise Review. It is an honor to testify before you this afternoon representing the Navy's Strategic Systems Programs (SSP).

SSP's mission is to design, develop, produce, support, and ensure the safety of our Navy's sea-based strategic deterrent, the TRIDENT II (D5) Strategic Weapons System (SWS). The men and women of SSP and our industry partners remain dedicated to supporting the mission of our Sailors on strategic deterrent patrol and our Marines, Sailors, and Coast Guardsmen who are standing the watch, ensuring the security of the weapons we are entrusted with by this nation.

The Navy provides the most survivable leg of the U.S. nuclear Triad with our ballistic missile submarines (SSBNs) and the TRIDENT II (D5) SWS. The Navy's top priority is to maintain a credible, effective, and safe sea-based strategic deterrent. A number of factors have contributed to an increased reliance on the sea-based leg of the Triad. The 2010 Nuclear Posture Review reinforced the importance of SSBNs and the Submarine Launched Ballistic Missiles (SLBMs) they carry. SLBMs will comprise a significant majority of the nation's operationally deployed nuclear warheads, thus increasing the nation's reliance on the sea-based leg of the nuclear Triad.

After a series of missteps involving the nation's nuclear forces and their senior leadership, Secretary Hagel directed both an internal Department of Defense review and an external, independent review of the DoD nuclear enterprise. These reviews included Air Force Intercontinental Ballistic Missiles, nuclear capable bombers and tactical fighters, Navy Ballistic Missile Submarines and the weapons they carry, as well as the supporting infrastructure to build, maintain, and control these assets. These reviews now known as the Nuclear Enterprise Review (NER) provided the Navy an unbiased look, and ultimately found the nuclear enterprise was and continues to be safe, secure, and effective

today. However, it found evidence of systemic problems that, if not addressed, could undermine the safety, security, and effectiveness of elements of the nuclear forces in the future.

Findings and Recommendations

The Secretary of Defense—directed the NER teams to examine the nuclear mission, specifically regarding personnel, training, testing, command oversight, mission performance, and investment. The results of the comprehensive review focused significant attention on the recapitalization, sustainment, and modernization of our nuclear deterrence systems and infrastructure. While many issues will need additional investments, in many cases the necessary corrective actions are cultural and structural. These measures will take time to implement, and must be sustained over the long term. The review provided a number of recommendations for both short and long-term actions; some were service specific, some were at the departmental level and others were germane to the entire enterprise. The NER teams made it clear that this essential mission requires refocused attention and resources at all levels of the Department.

The NER findings and recommendations were organized into the following categories: personnel, inspections, investment, and organization. The review of personnel issues identified concerns with accountability, manning and skills mix, career development, morale and recognition, the personnel reliability program, and security forces. Specific issues identified within the Navy were rapidly aging civilian workforces at the Navy Shipyards; undue stress on the Submarine crews created by Navy Shipyard shortfalls due to personnel constraints; as well as a significant gap of mid-career civilian personnel. The inspection related inquiry was concentrated on the culture of excessive inspections. The Navy in particular does not possess a culture of excessive inspections, rather the emphasis is placed squarely on meaningful self-assessment. In point of fact the Navy's internal Nuclear Weapons Assessment and the SSP Comprehensive Self-Assessment identified most of the issues underscored during the NER. In fact, the report validated numerous efforts already underway and identified corrective actions for issues that were already in progress.

In regards to investment, the NER focused on sustainment, operations and maintenance funding, and infrastructure issues. As expected, the review determined that as infrastructure continues to age, sustainment will become increasingly more difficult, time-consuming, and expensive. More explicitly for the Navy this is exhibited by the use of obsolete or temporary facilities due to prolonged underinvestment. Finally, the report addressed the issue of organization of the nuclear forces and leadership. The findings echoed previous reports that identified a shortfall regarding the integrated chain of command, which is critical in a departmental-wide “nuclear enterprise”. Ultimately, the reviews found a nuclear workforce that was dedicated, capable, and performing well despite the challenges that were identified. Today our nuclear weapons and weapons systems are safe and secure despite operating well beyond their originally designed life. However, this readiness cannot be sustained indefinitely.

Actions

The reviews of our DOD nuclear weapons enterprise have revealed that it no longer has the margin of safety and reliability it once had. Consequently, the nation faces a substantive, multi-decade recapitalization challenge in which we must continue to invest. Our current and planned investments are significant compared to past expenditures in our strategic deterrent programs since 1992 yet are not commensurate with the magnitude of the strategic deterrent mission which is not expected to markedly change for the foreseeable future. The Navy has taken active steps to address the more than 68 recommendations with Navy equity contained in the report.

Significant action has been taken to implement each recommendation, generally focused on a few key areas, including: oversight, investment, and personnel and training improvements. The Navy will continue to work with the Office of the Secretary of Defense and Congress to implement recommendations across the fleet to ensure safety and reliability. Navy has added an additional \$468M in FY 2016. The Navy will stay engaged with additional focus in this area to ensure our investments continue to be relevant and effective.

With respect to oversight, the Navy is clarifying the nuclear deterrent enterprise leadership structure and reducing administrative burdens imposed on the forces. The Nuclear Deterrent Enterprise Review Group (NDERG), formed and led by the Secretary of Defense will provide regular oversight of the nuclear enterprise. The Navy Nuclear Deterrent Mission Oversight Council has become the Navy's mechanism to ensure NDERG recommendations and guidance are properly implemented and that investments achieve the intended effect. This consolidation of leadership and oversight will streamline the chain of command, ultimately decreasing the burden on the Department.

Regarding training and personnel the Navy is planning a significant investment to build acceptable margin in the deterrence force and clear the SSBN maintenance backlog. Some of the recommendations involve long-term cultural or organizational changes, and the Navy has matched the right responsibilities with the right leaders. There will be an emphasis on the importance of the deterrence mission through updated vision statements, revised campaign plans, and methods to eliminate obstacles to enhance moral conduct and relieve the pressures on Sailors, training, and work-life balance. More specifically the Navy will apply additional resources to Strategic Mission personnel with a planned increase of 60 Full Time Equivalents (FTE) in FY 2016. In addition 309 FTEs were added for the Strategic Weapons Facilities and TRIDENT Training Facility to improve sustainment and training of the ballistic missile submarine force.

The Navy has also begun a substantial increase in the workforce at the four Naval Shipyards to better match capacity with workload. The current hiring plan will result in a target of 33,500 direct and reimbursable FTEs. In addition, some submarine maintenance will be outsourced to the private sector to ensure over capacity work does not result in deferred maintenance. Both of these actions will be part of an investment of \$338M for FY2016.

There will be accelerated infrastructure improvements and recapitalization plans to ensure long-term sustainment at Shipyards and Strategic Weapons Facilities. The Navy accelerated investment from a 17 year plan to a 15 year plan to improve the condition of the Shipyards by adding \$42M in FY2016. The Navy has also funded

\$20.7M to address infrastructure sustainment and recapitalization to ensure long term health at the critical Strategic Weapons Facilities. Navy is also developing a 20 year investment plan to guarantee the continued reliability of critical infrastructure at these facilities to support nuclear weapons movement and operations. While the Navy has made significant progress through actions taken to date, we recognize much work remains to be accomplished. The Navy is confident we have the right emphasis, oversight and processes in place to maintain a credible, modern, and safe sea-based deterrent.

The following table reflects individual programs increases associated with selected program areas for FY 2016 and represents the total additional program budgeted for NER actions in PB16 from the FY 2015 position in PB15:

NER Increased Funding	FY16 Increase (\$M) (D/R)
Shipyards Funding Increase	338.4
Trident Refit Facility Kings Bay	9.5
SSP Headquarters	4.8
Strategic Weapon Facilities (Civilian)	5.2
Trident Training Facility Bangor, COMSUBRON TWENTY, COMPACFLT	1.8
Strategic Weapon Facilities (Military)	1.1
COMSUBGRU TEN, COMSUBLANT, COMSUBPAC	0.6
Missile Trainer, Trident Training Facility Bangor	12.0
Research and Development for TRIDENT Follow-on	0.0
SSP Operational Engineering Support	10.9
Nuclear Weapon Surety Training	0.0
Strategic Weapon Facility Infrastructure (ST)	17.7

Strategic Weapon Facility Infrastructure (RM)	3.0
Shipyard Infrastructure (Recap)	34.4
Shipyard Infrastructure (ST)	7.6
E-6B TACAMO Maintenance	21.4
Total	468.4

The following table shows the change in funding across the Nuclear Enterprise between FY 2015 and FY 2016. Increases/decreases in this table represent the net changes in selected program areas. In addition to specific increases identified by the NER, these values include other price and program adjustments for the FY 2015 and FY 2016 positions in the PB16 request:

Nuclear Enterprise Funding Breakdown	FY15* (\$M)	FY16* (\$M)
OHIO Class	1,083	1,173
Strategic Weapons System (SWS)	2,270	2,250
OHIO Replacement Program	1,248	1,391
Ship Maintenance (LI:1B4B)**	5,307	5,961
Shipyard Infrastructure (Recap)	174	181
Shipyard Infrastructure (ST)	74	129
Shipyard Infrastructure Support and Planning for Future Years	0	8
Strategic Weapons Facilities Infrastructure (Recap)	12	0
Strategic Weapons Facilities Infrastructure (ST)	24	34
Strategic Weapons Facilities Infrastructure Support and Planning for Future Years	0	3
Total	10,192	11,130
*PB16 President's Budget, Recap – Recapitalization, ST – Sustainment		
** Includes entire ship maintenance account		

Navy Nuclear Regulatory Responsibility

As a result of the organizational concerns identified in the Nuclear Enterprise Review the Navy implemented a centralized regulatory authority for nuclear force readiness. As the Director, Strategic Systems Programs (DIRSSP), I now have accountability, responsibility and authority to serve as the single Flag Officer to monitor performance and conduct end-to-end assessment of the Navy Nuclear Deterrence Mission (NNDM) elements. These responsibilities are defined in SECNAVINST 8120.1B and OPNAVINST 8120.1. Nine Echelon 2 level commands directly contribute to the NNDM: US Fleet Forces Command (USFLTFORCOM), US Pacific Fleet (PACFLT), Fleet Cyber Command (USFLTCYBERCOM), Navy Supply Systems Command (NAVSUPSYSCOM), Naval Sea Systems Command (NAVSEASYSKOM), Chief of Naval Personnel (CNP), Bureau of Medicine and Surgery (BUMED), Commander, Navy Installations Command (CNIC), and SSP.

DIRSSP is the NNDM regulatory authority responsible for assessing and reporting issues to the Navy Nuclear Deterrent Mission Oversight Council and the Chief of Naval Operations (CNO). SSP is tasked with developing, coordinating, and implementing policies approved by the CNO, and conducting end-to-end assessments of the Department of the Navy nuclear weapons and nuclear weapons systems and personnel for safe, reliable, and effective execution of the NNDM.

SSP is engaged with the Echelon 2 commands defined above to understand their current reporting and assessment processes and to define the NNDM regulatory assessment policy. CNO holds me accountable to define the existing reporting and engagement strategies, understand the status of my interaction with the commands, and to present my assessment of the enterprise on a continuing basis.

Conclusion

If we fail to sustain these investments we risk degrading the global stabilizing effect of a diverse, strong, and capable nuclear force. It is imperative we resource future sensor improvements; upgrades for nuclear command, control, and communications (NC3) capabilities; strategic delivery system recapitalization efforts; weapon life-extension programs and stockpile surveillance activities; and nuclear complex infrastructure modernization. Together these exceptionally important and necessary investments will ensure our triad of nuclear forces remains viable and credible not only to our own defense but to our allies defense as well.

Navy continues to maintain a safe, secure, and effective strategic deterrent and focus on the custody and accountability of the nuclear assets entrusted to the Navy. However, we must remain vigilant about unforeseen age-related issues to ensure the high reliability required of our SWS. Navy must maintain the engineering support and critical skills of our industry and government team to address any future challenges with the current system as well as prepare for the future of the program. Our nation's sea-based deterrent has been a critical component of our national security since the 1950s and must continue to assure our allies and deter potential adversaries well into the future. I am privileged to represent this unique organization as we work to serve the best interests of our great Nation.