

## HASC Seapower Subcommittee 26 February 2013

Chairman Forbes, Congressman McIntyre I am pleased to appear before this committee to offer my perspectives on the future challenges, internal and external, to our naval forces.

I am not prone to hyperbole and do not consider our time to be the most dangerous, most critical or most challenging time for our nation and its armed forces. Our nation has faced more daunting times before - world wars, ideological struggle and the existential threat of nuclear annihilation. In fact, the international order is more conducive to our interests than is generally appreciated. I believe it is such because of the role our Navy has played in past decades. There is no other naval force that can command and control and sustain itself globally or be present in so many regions with such credible and versatile power. We are the only global maritime power and our Navy's presence has made and continues to make a difference. That presence and its influence on events have become expected by our fellow citizens and friends and foes the world over. That expectation is on the verge of becoming unfounded.

We have reduced defense budgets before, but this time is different. In contrast to earlier defense reductions this time the industrial base is smaller, more brittle and unsure. Unlike previous periods of defense growth, the spending of the past eleven years was not directed toward increasing the inventory of major capital assets that enable and sustain our global presence. Accordingly, there is not excess inventory

that can absorb a procurement holiday or assets which we can rapidly jettison and still support our global interests. The increasing costs of the All Volunteer Force are distorting distributions of spending within the Department of Defense and crowding out procurement and operations. Excessive procurement requirements, redundant layers of oversight and the time it takes to introduce new capabilities and capacity add more cost and further erode purchasing power.

I served long enough to have experienced the consequences of previous reductions in defense budgets. I recall, as a young officer, deploying on a ship that did not have the benefit of adequate time at sea to train new Sailors. I was concerned we were not ready for the missions assigned and remember being uneasy with regard to the safety of my Sailors as they went about their demanding and often hazardous work without the training time to prepare adequately. I recall ships remaining in foreign ports for extended periods of time because they were unable to get underway because of equipment problems or lack of money to steam. None of us wish to return to those days, our Sailors and Marines deserve better.

I recognize we face daunting budgetary challenges and that defense will not be immune from reductions. But how that is done will determine the reach and effectiveness of the Fleet. It is regrettable and unfortunate that we are in the eleventh hour of such important budgetary decisions and only now are the consequences of such reductions being made known to the American people – we

have not had the benefit of a public debate on the challenges and consequences to our nation's Navy.

Sequestration, at its current level and method, will be devastating and is irresponsible. We are already seeing a decrease in our global presence due to cancelled deployments. Training needed to prepare for future deployments is being curtailed harkening back to past times of budget reductions. Even before implementation, cash flows are already being disrupted with significant consequences for small business and the skilled men and women employed there. I am quite sure each of you has better examples of their uncertainties than I. My great concern is that much of our capability comes from such business across our country that may not be able to survive the consequences of sequestration. Under sequestration, I believe Fleet size will likely plunge to around 220 ships and operational and tactical competence will erode quickly. Sequestration, as currently enacted, must be avoided.

What must be done to provide and maintain a Navy appropriate to the security environment and likely demands of the future? I recommend steering the debate away from chasing topline budget numbers and engaging in an informed debate about where do we want our Navy to be and what do we want it to be able to do. To affirm a smaller, more ready Navy can be in the many regions of the world where we have vital or important national interests is a false promise. Our Fleet is hard pressed now at 286 ships. Anything less will strain our Navy more and jeopardize

the industrial base that produces and maintains our Fleet. I believe a Fleet between 325 to 345 ships, with diverse capabilities, to be right for the future.

The strategy of rebalancing to Asia, with which I completely agree, does not mean we will be able to turn away from the Middle East or neglect events in the Maghreb or Levant. Naval forces will still be in demand there, as sensitivities to boots on the ground will bias response to the Navy and Marine Corps. Our counter-terrorism forces will remain active for the foreseeable future and being able to come from the sea will make them more agile, effective and lethal. The number and mix of ships will likely matter more in the future than they do today. As we contemplate a precipitous drop in Fleet size, we must be mindful of the decade of 2020. That must be a factor in considering Fleet size as the number of ships added each year during the Reagan build-up of the 1980s will presumably retire at the same rate in the 2020s, and we will begin the retirements of NIMITZ Class aircraft carriers. The opening of the Arctic Ocean and demands for ships there will exacerbate the problem.

In addition to thoughtfully addressing Fleet size and composition, maintaining the viability of the defense industrial base, controlling spiraling aggregate personnel costs, and enhancing the effectiveness and efficiency of our procurement system must be addressed and resolved. Each is intellectually and politically hard and addressing all simultaneously is harder. But dealing now with these systemic issues is imperative if we are to redress the mismatch between requirements and

resources and if we are serious about having a more sound and essential way to engage a constrained budget environment that will likely exist for more than a decade. I believe the two most critical areas are addressing unsustainable personnel costs and rationalizing our procurement process. Changes to personnel compensation and benefits must not be viewed as breaking faith with those who serve or who have served, but rather a necessity in preserving the great All Volunteer Force we witness today. Rationalizing the procurement process should focus on streamlining and not on adding more oversight and cost as is currently and illogically being done by adding more people to the acquisition force at a time when we will likely be buying less.

At this very consequential and different time there is much that must be done. The founders were very explicit in the need for a Navy and the obligation of Congress to provide and maintain a Navy. Circumstances have changed, technology has changed, but our nation's maritime imperative remains. This Committee, throughout its history in equally challenging times, has understood that imperative and led in providing and maintaining a Navy without peer. That time has come again.

