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SERVICES COMMITTEE

STATEMENT OF

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BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

ON

STATE OF THE MILITARY

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Mr. Chairman, Ranking Member Smith, and distinguished members of the Sub-Committee, I appreciate the opportunity to testify on the current state of Navy readiness and the challenges we face today and in the future.

Before we discuss Navy's readiness challenges and our plans to address them, it is important to understand our present situation. Globally present and modern, our Navy provides timely, agile, and effective options to national leaders as they seek to advance American security and prosperity. Today, however, the ongoing demand for naval forces continues to grow, which will require the Navy to continue to make tough choices. In the classic trade space for any service (readiness, modernization and force structure), readiness has become the bill payer in an increasingly complex and fast-paced security environment. To address these realities, the Navy has identified investments to restore the readiness of the fleet today to shore up what we have. At the same time, we cannot restore the fleet to full health without also updating our platforms and weapons to better address current and future threats, and evaluating the right size of the Navy so that it can sustain the tempo of operations that has become the norm. The Navy is actively working on plans for the future fleet with Secretary Mattis and his team, and we look forward to discussing those plans with you when they are approved.

To characterize where we are today, I would say it's a tale of two navies. As I travel to see our sailors in the United States and overseas, it is clear to me that our deployed units are operationally ready to respond to any challenge. They understand their role in our nation's security and the security of our allies, and they have the training and resources they need to win any fight that might arise. Unfortunately, my visits to units and installations back home in the United States paint a different picture. As our Sailors and Navy civilians, who are just as committed as their colleagues afloat, prepare to ensure our next ships and aircraft squadrons deploy with all that they need, the strain is significant and growing. For a variety of reasons, our shipyards and aviation depots are struggling to get our ships and airplanes through maintenance periods on time. In turn, these delays directly impact the time Sailors have to train and hone their skills prior to deployment. These challenges are further exacerbated by low stocks of critical parts and fleet-wide shortfalls in ordnance, and an aging shore infrastructure. So while our first team on deployment is ready, our bench – the depth of our forces at home – is thin. It has become clear to me that the Navy's overall readiness has reached its lowest level in many years.

There are three main drivers of our readiness problems: 1) persistent, high operational demand for naval forces; 2) funding reductions; and 3) consistent uncertainty about when those reduced budgets will be approved.

The operational demand for our Navy continues to be high, while the fleet has gotten smaller. Between 2001 and 2015, the Navy was able to keep an average of 100 ships at sea each day, despite a 14 percent decrease in the size of the battle force. The Navy is smaller today than it has been in the last 99 years. Maintaining these deployment levels as ships have been retired has taken a significant toll on our Sailors and their families, as well as on our equipment.

The second factor degrading Navy readiness is the result of several years of constrained funding levels for our major readiness accounts, largely due to fiscal pressures imposed by the Budget Control Act of 2011. Although the Bipartisan Budget Act of 2015 provided temporary relief, in FY 2017 the Navy budget was \$5 billion lower than in FY 2016. This major reduction drove very hard choices, including the difficult decision to reduce readiness accounts by over \$2 billion this year.

The third primary driver of reduced readiness is the inefficiency imposed by the uncertainty around when budgets will actually be approved. The inability to adjust funding levels as planned, or to commit to longer-term contracts, creates additional work and drives up costs. This results in even less capability for any given dollar we invest, and represents yet another tax on our readiness. We are paying more money and spending more time to maintain a less capable Navy.

We have testified before about the maintenance and training backlogs that result from high operational tempo, and how addressing those backlogs has been further set back by budget cuts and fiscal uncertainty. Our attempts to restore stability and predictability to our deployment cycles have been challenged both by constrained funding levels and by operational demands that remain unabated.

Although we remain committed to return to a seven month deployment cycle as the norm, the need to support the fight against ISIS in 2016 led us to extend the deployments of the *Harry S Truman* and *Theodore Roosevelt* Carrier Strike Groups to eight and eight and a half months, respectively. Similar extensions apply to the Amphibious Ready Groups which support Marine Expeditionary Units. This collective pace of operations has increased wear and tear on ships, aircraft and crews and, adding to the downward readiness spiral, has decreased the time available for maintenance and modernization. Deferred maintenance

has led to equipment failures, and to larger-than-projected work packages for our shipyards and aviation depots. This has forced us to remove ships and aircraft from service for extended periods, which in turn increases the tempo for the rest of the fleet, which causes the fleets to utilize their ships and airframes at higher-than-projected rates, which increases the maintenance work, which adds to the backlogs, and so on.

Reversing this vicious cycle and restoring the short-term readiness of the fleet will require sufficient and predictable funding. This funding would allow our pilots to fly the hours they need to remain proficient, and ensure that we can conduct the required maintenance on our ships. It would also enable the Navy to restore stocks of necessary parts, getting more ships to sea and better preparing them to stay deployed as required.

Our readiness challenges go deeper than ship and aircraft maintenance, directly affecting our ability to care for the Navy Team. Our people are what make the U.S. Navy the best in the world, but our actions do not reflect that reality. To meet the constraints of the Balanced Budget Act, the Navy's FY 2017 budget request was forced to reduce funding for Permanent Change of Station (PCS) moves. These reductions have been compounded by the Continuing Resolution, which imposed even further reductions on that account. Without sufficient PCS funding, the Navy will be unable to move Sailors to replace ship and squadron crewmembers leaving service, increasing the strain on those who remain. This is an area in which timing also matters greatly. Even if the money comes eventually, if it is too late, necessary moves will be delayed until the beginning of the new fiscal year. That means our Sailors with children will be forced to relocate their children in the middle of a school year. And because we don't know if and when additional PCS funding may come, we cannot give our Sailors and their families much time to prepare, often leaving them with weeks, rather than months, to prepare for and conduct a move, often from one coast, or even one country, to another.

Meanwhile, our shore infrastructure has become severely degraded and is getting worse because it has been a repeated bill payer for other readiness accounts in an effort to maintain afloat readiness. Consequently, we continue to carry a substantial backlog of facilities maintenance and replacement, approaching \$8 billion.

Summary

Time is running out. Years of sustained deployments and constrained and uncertain funding have resulted in a readiness debt that will take years to pay down. If the slow pace of readiness recovery continues, unnecessary equipment damage, poorly trained operators at sea, and a force improperly trained and equipped to sustain itself will result. Absent sufficient funding for readiness, modernization and force structure, the Navy cannot return to full health, where it can continue to meet its mission on a sustainable basis. And even if additional resources are made available, if they continue to be provided in a way that cannot be counted on and planned for, some will be wasted. As we strive to improve efficiency in our own internal business practices, those efforts are being actively undermined by the absence of regular budgets. Although we face many readiness challenges, your Navy remains the finest Navy in the world. We are committed to maintaining that position. That commitment will require constant vigilance and a dedication to readiness recovery, in full partnership with the Congress. On behalf of our Sailors and civilians, thank you for your continued support.