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BY THE HOUSE COMMITTEE ON ARMED
SERVICES

STATEMENT OF

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BEFORE THE

HOUSE COMMITTEE ON

ARMED SERVICES

ON

CONSEQUENCES TO THE MILITARY OF A CONTINUING RESOLUTION

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Mr. Chairman, Ranking Member Smith, distinguished members of the Committee, thank you for the opportunity to appear before you today to discuss the impact on Navy readiness of extending the current continuing resolution (CR) for a full year.

I see readiness in the context of a competition that is real and intensifying, in which our maritime superiority is approaching razor thin margins. It is clear that Russia and China are working hard and fast to strengthen their position, influence their neighbors, and shift the world order in their favor. There are persistent headlines about Iran's actions to challenge security and commerce in their region, including by providing lethal assistance to forces nearby. North Korea's reckless and provocative missile tests and rocket launches inform its advance toward the goal of a nuclear weapon that can threaten the United States, raising tensions and creating uncertainty. And terrorist groups adapt and persist, continuing to inspire attacks in the west. All of this activity is occurring at an ever-quicken pace, and is increasingly complex.

As these threats evolve, the Navy maintains our relentless focus on protecting America from attack and promoting our interests around the world. We achieve this by

- Being powerful enough to deter conflict, but if deterrence fails, ready for prompt, sustained, and decisive combat operations at and from the sea;
- Operating forward, beyond the horizon and away from our shores, and prepared to fight close to home if required;
- Operating with our allies and partners. The scope and scale of today's challenges places a growing imperative on the assistance of our friends around the world -- assistance that can range from fighting with us in combined operations to intelligence sharing, from overflight rights to permission to operate from their ports. We can fight alone if we must, but together we are much stronger than the sum of our individual parts; and
- Coordinating and synchronizing across naval component commands around the globe, as part of the joint force.

As we have discussed before, ensuring the Navy's ability to perform our mission, now and in the future, is becoming a greater and greater challenge. We have not had sufficient resources to maintain the fleet at current levels of operational tempo, to modernize it to adequately address evolving threats, and to invest in new capabilities to maintain an edge into the future. Our competitors are gaining on us, and our advantage is shrinking.

I have previously described the combined effects of the continuously high pace of operations, the uncertainty of when our budgets will actually be approved, and constrained funding levels as a "triple whammy." All three elements of that dynamic persist, and the detrimental effects are being felt more and more acutely.

Our sailors, civilians, and families continue to bear the brunt of these realities, as many of you have seen in your visits to the fleet. Ensuring the full preparation of our deploying forces means we are unable to give our bench the training they deserve to achieve optimal levels of

expertise, the spare parts to keep their equipment functioning, work or office spaces that support their missions, or even the courtesy of more than one to two months' advance notice before we uproot them and send their families to new and distant locations. And once our sailors set out to sea, operational demands emerge that too frequently mean our teams return home later than planned.

These realities have consequences. Despite their many choices, our sailors willingly took an oath of office to support and defend our Constitution, knowing that this would involve danger and sacrifice. We must face the truth that those sacrifices are being exacerbated by the conditions that we are imposing upon them. It is taking a real toll on our teams and their families, adding stress that detracts from our focus on staying ahead of those that challenge us.

Fixing our readiness is not just about sufficient funding to buy what we need. Just as important, we must change how we do business so that we can act more quickly. In competition, time matters - the best Navy that arrives too late will lose. We are *competing in time*, but our processes are byzantine and lack urgency. This reduces our chances to be the first to field a new capability or develop a new concept. I am doing what I can to address this problem, and am grateful for the new authorities that you have provided to me. But funding instability and uncertainty add delays, delays that are becoming increasingly costly as we fall further and further behind the pace of available technology.

We are now six months into the fiscal year, and face the prospect of another CR. The negative impacts of a CR will continue to be felt long after this fiscal year ends in September. First, we will need to identify areas to cut over \$500 million to shift to much-deserved pay raises, housing allowances, and other cost of living adjustments for our sailors. Second, within our shipbuilding accounts, an extended CR will require us to realign \$4.4 billion in order to move ahead with planned ship purchases, adding more delay and churn for our already-besieged shipyards. The time to make these adjustments means that new ships will deliver late, and in turn that current ships will need to operate longer, at great effort and expense. Third, CR limitations will set us further back in the years to come, as we will lack the authorities to invest in new things that we had planned to help us to remain ahead of our competitors' advances.

Under a CR:

- We will not purchase numerous new ships and advanced missiles;
- We will not start developing new ways to address a growing undersea warfare threat or create new and advanced cyber tools;
- And we will not increase production rates or buy parts for new aircraft carriers, early warning aircraft, armed helicopters, advanced missiles, undersea sensors and arrays, missile decoys, or radar enhancements.

Finally, if or when we ultimately do get funding, under a CR we will get less for our dollar. We will not have authority to enter into new multi-year contracts that allow us to

negotiate lower unit costs. We will pay higher prices for short-length services contracts. And we will have to spend more on overhead to write and review those agreements.

While the House-passed FY2017 Appropriations bill resolves many of these problems and is much better than an extension of the CR, the Navy will still need an additional \$2.1 billion to address immediate readiness shortfalls. Without it, three ships scheduled to deploy to Europe and the Middle East will stay home, our pilots will not fly and their jets will sit on the ramp needing maintenance, we may lose skilled sailors because we cannot fund their bonuses, our stocks of critical munitions will remain too low, and we will not be able to fix known cyber vulnerabilities. Our ability to deter potential adversaries will be undercut, and our allies and partners will become less certain of our capabilities, which will further intensify the competition.

Beyond the \$2.1 billion, the Navy's portion of the Request for Additional Appropriations also includes funding for things that, while they do not improve readiness in this fiscal year, still help to deliver combat power more quickly. Accelerating the number of available aircraft and spare parts for our squadrons, launching a new and more capable destroyer, and increasing the depth of our missile and ammunition magazines would help us dig out and stay out of the readiness hole that we are in more quickly --, a hole that gets deeper as we continue to steam and fly in support of ongoing operations.

Ultimately, my request to you is simple. Your Navy is out on the seas. Its sailors are being harassed by submarines and strike fighters, and even fired upon, as they protect the U.S. and its interests. We've been at war, operating hard, for 15 years. As we have been doing that, the rest of the world has not stood still - the competition is on, and it is heating up. Now, more than ever, time matters. I have a hard time believing that I am sitting before you now to discuss the potential that we might take steps to make those sailors' mission still more difficult, to give our adversaries more advantage, to make our people's lives more stressful -- not only now but in the years to come. I am hopeful that we can together find a way to reverse this trend and turn our attention to staying ahead of our competitors today and in the years to come.