

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

STATEMENT OF

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BEFORE THE

SUBCOMMITTEE ON READINESS OF THE
HOUSE ARMED SERVICES COMMITTEE

ON

U.S. NAVY READINESS

MARCH 20, 2018

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Mr. Chairman, Ranking Member Bordallo, and distinguished members of the readiness subcommittee, we appreciate the opportunity to testify on the current state of Navy readiness, progress we have made over the past year, and challenges we face today and can expect in the future.

Foremost, we want to recognize and thank Congress for the additional \$2.8 billion dollars received in the FY17 Request for Additional Appropriations (RAA). This important and timely injection of funding helped to arrest further decline in readiness and prevent additional backlogs in surface ship and aviation maintenance. We are equally grateful to Congress for its continued support through the FY18 budget, once enacted, along with the recently passed two-year Bipartisan Budget Agreement. These funds will enable the Navy to continue to address pressing readiness shortfalls, and move aggressively and in a upward trajectory toward full readiness recovery.

Before we discuss Navy's readiness challenges and our plans to address them, it is important to understand our current situation. Our testimony today comes at a critical time in our Navy's history, as we face a dynamic and changing maritime environment. The return to great power competition discussed in the National Defense Strategy and the imperative of confronting challenges head-on to compete, deter and win will require a larger, more lethal, and ready Navy—the Navy the Nation Needs. In this strategic environment, the demand for naval forces will only continue to grow, but the approach to meeting this demand must be balanced across all dimensions of Naval power. The

force today is stressed from more than a decade of wartime demands exceeding capacity in an era of declining force structure, which drove operational tempo to unsustainable levels. On top of this, Budget Control Act (BCA) funding caps, years of Continuing Resolutions, and budget uncertainty challenged the ability of the Navy to adequately address the full range of needed investments while meeting near term commitments.

During this time, where the Navy was forced to make trades between readiness, modernization and force structure, we prioritized funding for deployed naval forces first, at the expense of our surge forces, training, and shore infrastructure. We did not have enough aircraft ready to fly or enough time at sea for our non-deployed ships and crews to train and hone their skills. Ship and aircraft maintenance periods were either delayed or cancelled, and shore infrastructure was degraded as resources went to fund immediate readiness needs. Our shipyards and aviation depots struggled to deliver ships and aircraft on time, which in turn impacted Sailors' training time prior to deployment. These challenges were further aggravated by shortages of parts and availability of spares. While our deployed forces were and continue to be ready, our bench—approximately one third of our naval forces--remained thin. Overall, readiness had dropped to its lowest level in many years.

Our attempts to restore stability and predictability to our deployment cycles have been challenged both by constrained and uncertain funding levels and by operational

demands. The pace of operations has increased wear and tear on ships, aircraft and crews, and decreased the time available for maintenance, modernization and training. Fleet maintenance and training plans have begun to have a positive effect, especially in meeting CNO-targeted seven month deployment lengths, but readiness recovery will take a long-term commitment of resources, predictable funding and time. Funding is needed to ensure our pilots have ready aircraft and are getting the flying hours they need to remain proficient, throughout the sustainment phase, not simply ramping up just prior to deployment. Similarly, our Sailors serving at sea must have quality training opportunities at-sea throughout their basic and integrated phases to remain proficient.

We are on the path to recovery. The FY17 RAA funds enabled the Navy to execute deployments, sustain surge forces, execute 13 additional ship depot maintenance availabilities, increase aviation depot throughput with 35 additional airframes, increase our investment in ship and aircraft spares, and fund key shore infrastructure projects supporting operations. Once enacted, the FY18 appropriations bill, along with additional relief enabled by the BBA, will be a significant step toward readiness recovery. In our FY 18 budget submission we deliberately prioritized and invested in improving readiness and wholeness of our current fleet by funding every readiness account at or above FY17 levels. Ship operations, ship and aircraft depot maintenance and flying hours, the Navy's "big 4" readiness accounts and the major drivers for force availability and operations, were all funded to 100% of the requirement or maximum

executable levels. Our supporting or “enabling” readiness accounts were funded to maximum executable levels. Shore readiness accounts were funded higher than FY17 levels, addressing the most mission-critical infrastructure deficiencies. The budget enhancement enabled by the BBA created substantial opportunities to accelerate readiness in certain areas. Once enacted along with the FY18 budget, the budget enhancement will add ships and aircraft to meet global demand, as well as invest in ship depot maintenance, aviation logistics, air systems support, increased funding for aviation spares, critical munitions, and funding for facilities sustainment to improve living, training and working conditions.

Given the nearly six-month CR, the Navy will have to work hard and execute with strong discipline to obligate all the funding provided in FY18. Operation and Maintenance account flexibilities that are under consideration will be key to ensure the most efficient and effective use of taxpayers’ dollars.

We must continue to build from FY18. The most effective means to do this is to enact the FY19 President’s Budget by the start of the fiscal year. The FY19 budget submission continues to build on the foundation of FY17 and PB18, addressing the stressors on the fleet and force, making major strides in buying down the readiness debt and setting the course for the goal of full readiness recovery, characterized by the operational availability of Carrier Strike Groups at required levels. PB19 is a balanced budget. We are laser focused on continuing readiness recovery while simultaneously investing in

modernization, increased capacity, people, training, lethality and improvements in infrastructure that are necessary to maximize naval power. In our FY19 submission we took a comprehensive approach to readiness recovery, with deliberate and informed investments across the Navy's seven readiness pillars: Personnel; Equipment; Supply; Training; Ordnance; Networks; and Infrastructure.

Personnel Readiness is improved by adding 7500 billets to address gaps at sea to an active endstrength level in FY19 of 335,400 active personnel and 59,100 reserve personnel, as well as growing the Civilian workforce at shipyards and fleet readiness centers to improve shipyard performance and support new ships entering the battle force. The FY19 request includes provisions to complete ongoing efforts to hire and train new public shipyard workers to bring the total workforce at the four shipyards from 34,918 in FY17 to 36,100 by FY20. The increased numbers of personnel will help to increase the throughput of aircraft and components, and reduce public shipyard maintenance delays, getting ships back to the fleet on time This will give time back to the ships' crews to take full advantage of the basic and integrated phases to train and certify prior to deployment.

The "big 4" readiness accounts critical to Equipment readiness were again funded to 100% of the requirement or maximum executable levels. The FY19 request funds 57 ship maintenance availabilities across the public and private shipyards and ship operations to 100% of the requirement (58 underway days per quarter deployed and 24 underway

days per quarter when not deployed) to ensure ships and crews get the dedicated time at sea to train and hone skills. Aircraft depot maintenance, at \$1.5 billion, includes the induction of 652 airframes and 1,887 engines. This is the maximum executable level and an improvement from FY18.

Aviation spares are funded above historical levels to reduce repair part shortages and improve the range and depth of afloat spare parts in line with our intended operational availability. Collectively and over time, these investments will result in more mission capable aircraft. Similarly, we made a substantial investment of \$3.7 billion in munitions in the FY19 budget request (\$144 million more than requested in FY18) to provide our operational forces with the inventory they need to execute potential operational requirements. As noted, the earlier in the Fiscal Year the funding is available, the sooner we can execute contracts to enable these improvements.

Shore readiness accounts are improved over FY18 levels and continue to prioritize mission-critical deficiencies in our infrastructure. The FY19 budget request continues to exceed the statutory minimum funding requirement to modernize and improve the efficiency of our public Naval shipyards. The FY19 budget includes \$685 million of investment in our public shipyards. \$2.1 billion is invested for Facility Sustainment, Restoration and Modernization across the Navy, and when combined with \$1.9 billion for Military Construction (MILCON) (\$1 billion more than requested in FY18), will begin to reverse backlogs. It will enable the Navy to better manage and maintain existing

facilities, especially drydocks, and ensure shipyard capability and capacity to support warfighting missions.

As the Navy executes readiness recovery, and begins to grow capacity to provide the Navy the Nation Needs, our industry partners must grow capacity in stride. We are as dependent on their capabilities and capacity as we are on the public depots. We know from hard experience that workload to capacity mismatch creates delays in maintenance completion, increasing costs and reducing time for training and operations. As we look to the future, we see the potential for these conditions to exist.

The FY19 budget also improves readiness by funding recommendations in our recent Comprehensive and Strategic Readiness Reviews. The FY19 budget includes \$79 million in FY19 and \$600 million across the FYDP to address training, manning and equipment issues and recommendations identified in the reviews. Key investments include bridge system integration, shore simulators and Automated Information System (AIS) improvements. We have established a Readiness Reform Oversight Council to oversee not only implementation of the recommended actions, but also the ongoing impact of these actions to ensure they achieve their desired results now and in the future. Naval forces will continue to deploy from the United States fully certified to execute all assigned missions. This is the standard we have set, and will not deploy a ship that is not ready. Within our Forward Deployed Naval Forces, we have put new controls and organizations in place to prevent operational commanders from sacrificing training and

maintenance events, which rebuild readiness, in order to conduct operations. We are monitoring the effectiveness of these efforts closely.

Complementing the readiness recovery of the active component, we are equally focused on the readiness of the Navy Reserve—an integrated force multiplier to the active component. Navy Reserve Sailors are in high demand to deliver enhanced critical capabilities, fill manning gaps, and deploy worldwide in support of Global Force management requirements. In any given week, nearly 20 percent of the Navy Reserve is delivering operational support to the Navy and Joint Force across the globe. Due to this tight integration with the active component, Navy Reserve’s solutions to improve readiness are congruent to those of Navy’s total force.

While the Navy Reserve continues to answer the demand to fill Combatant Commander requirements by deploying Reservists forward, maintaining high levels of personnel readiness on the home front has become increasingly difficult. Since the enactment of the Budget Control Act of 2011, Navy Reserve’s operational support budgets have decreased 34 percent as a result of tough budgetary choices to meet mandated budget caps. Consequently, while the Reserve’s individual mobilization readiness levels remain high, meeting our nation’s strategic requirement, our operational training and readiness cannot be maintained at the level desired by the active component fleet units which the Reserve force supports. Reservists continue to volunteer to serve at a remarkable rate, yet they are often underserved by the limited resources available for them to receive

the training that they require in order to achieve a readiness level beyond strategic reserve requirements. Continuing resolutions and government shutdowns also weigh heavily on readiness and force morale across the Navy Reserve, introducing chaotic variables into readiness building strategies. In turn, this affects the ability to deliver a highly trained, experienced, ready Sailor or support unit to the Combatant Commander. Since 2001, the Navy Reserve has acted as a significant portion of the Navy's heavily stressed operational "bench" and "depth" as the demand for naval forces grows. Consistent, predictable resources in the Reserve Personnel, Navy account is the best way to build and retain personal readiness as we endeavor to move beyond personal and unit readiness, toward force wholeness.

Navy Reserve equipment is also experiencing the same readiness challenges faced by the active component. Our integrated force structure depends on Navy Reserve's ability to rapidly and seamlessly assimilate with our active component counterparts in executing the mission. To do this, Navy Reserve depends on the availability of modern, compatible equipment. As the Navy continues to prioritize investments in advanced aircraft, weapons systems and equipment, the Total Force must ensure that Reserve procurement is likewise adequately resourced in those accounts as well. Carrier air wings cannot deploy without complex air-to-air training. The primary mission of the Navy Reserve's four adversary squadrons is to provide this capability to the active fleet. Numerous rotational and expeditionary forces rely on the transportation of personnel

and cargo into austere locations provided by the Fleet Logistics support wing. These are examples of critical reserve capabilities in danger of future obsolescence without recapitalization resources. Such an effort will ensure our forces maintain the highest levels of safety, interoperability, and readiness.

In support of the Reserve Force, PB19 provides funding for increased flying hours, provides additional manpower to support transition from legacy to new aircraft and support for fleet operational requirements. Where increases were made to the active readiness accounts, corresponding increases were made for the Navy Reserve. PB19 also provided funding to recapitalize the legacy KC-130T aircraft. PB19 provides three KC-130J aircraft in FY23 to be procured within the DoD Multiyear Procurement (MYP) III contract (FY19-23), as a critical part of the Navy Unique Fleet Essential Airlift (NUFEA) mission executed by Navy Reserve squadrons.

Funding alone will not ensure readiness recovery. Assessing our progress is critical to the recovery and necessary to make programmatic adjustments in future budgets. Our investments are focused on output and moving the readiness needle. To do this, it is essential that we sustain the gains made last year with the FY17 funds. The FY17 funding addressed vital warfighting readiness shortfalls, a necessary investment to ensure our Navy is ready to fight today. The FY18 budget submission, enhanced by the BBA funding provides the Navy the necessary funding to continue to restore force readiness, and in some areas accelerate the pace of recovery. The PB19 request

continues to build on the readiness and wholeness commitments made in the two previous budget requests, placing the Navy on the right vector toward a more capable and lethal force. Our Navy is extraordinarily capable today and will become more capable in the future, but recovering readiness will take time and investments must be properly balanced across all the dimensions of Naval power. To ensure responsible use of appropriated funding, we will fund readiness to executable levels and demonstrate our ability to perform to prescribed plans.

In the competitive environment we face now and in the future, we must increase naval power in a balanced approach to meet our national strategic objectives. Halting the decline in readiness and getting on the path to full readiness recovery is a key component of this balanced approach. We are grateful to this committee and to your colleagues in the Congress for starting this important work, ensuring adequate funding is in place so that our ships, aircraft, Sailors and aviators, active and reserve get out to sea where they can build upon material readiness, at-sea training and operational experience. We look forward to working with you to build the Navy the Nation Needs -- a lethal Navy for our enemies, a supportive Navy for our allies and partners, and a safe Navy for our Sailors.