

Re: Submitted Testimony for Admiral Robert J. Natter, USN(ret); 12 March 2014

Chairman Forbes, Ranking Member McIntyre, distinguished members of the Seapower and Projection Forces Subcommittee, it is my pleasure to appear before you today to testify following the Navy's Fiscal Year (FY) 2015 budget submission. I am honored to offer my independent assessment of the status of America's Navy.

First and foremost, I am thankful to have been part of the World's preeminent maritime force—the United States Navy—for over 36 years of commissioned service. Also, my wife and I are proud to say that our three daughters have also chosen to serve our country in the United States Navy; two of my daughters are currently serving. Not only is this a source of great pride for me, but they, and their friends and professional associates, provide me a window into our current generation's thoughts and concerns regarding our Department of Defense's current direction and priorities.

Today, our Navy remains a superior force because our nation's citizens have made the necessary sacrifices to support it, as have their elected representatives in succeeding administrations and Congresses. Up to this point we have maintained the leadership and national will to invest in ensuring a technological and force advantage over other navies, to include unparalleled quality shipbuilding and aircraft manufacturing, combined with sufficient depot infrastructure, laboratories, R&D sites, testing programs, and a repair infrastructure that are, collectively, second-to-none. These platforms, when combined with the dedicated and talented youth of America, are the US Navy's qualitative edge; it is what makes this navy the best in history. In addition, I would be remiss if I did not also recognize the world's best ship construction and repair workers, both in the public and private sectors. Thank you again for permitting me to speak briefly, on what I think is needed to continue with this mandate.

After more than a decade of a continuous war footing in Iraq, Afghanistan, and elsewhere overseas, the Country is anticipating a substantial withdrawal of troops from Afghanistan, bringing a much-anticipated period of relative peace, and an opportunity for some of our men and women in uniform to rebalance, reset, and return home. In essence, we are retrenching as a military, but hopefully not as a nation; *this is, as the committee knows, certainly not the case for our Navy.*

The global security environment has not lessened the demand for Navy and Marine Corps forces. Although our Navy is smaller than ever, the national and combatant commanders' demand for surface ships, submarines, maritime patrol and intelligence gathering assets, Seabees and Navy SEALs, remains as high as ever. Today, the Navy maintains nearly the same presence as it did at the height of OIF and OEF, albeit with thirty fewer ships and crews. This equates, quite simply, to fewer sailors fulfilling the same mission requirements as more sailors did only a few years ago. Recent events in Ukraine, Syria, South Sudan, Congo, Mali, C. African Republic, Iran, North Korea, the South China Sea, and Libya foretell a stressful environment that will continue to dictate the need for a state-of-the-art, ready Navy deployed around the globe. In every scenario, the elected leadership of our nation and the Joint Force Commanders will rely on the Navy and Marine Corps to engage a willing and increasingly capable adversary as our first line of defense, or as a hard-hitting offense, across the range of military operations.

Today's challenging environment remains maritime-focused. Markets across the globe depend on the sea, its ports, and freely moving shipping to transport cargo from, to, and across the sea; our financial markets depend on this merchandise flowing freely over the sea and the data running in the cables beneath it, as well. As such, maintaining unimpeded sea lines of communication and allowing commerce to move unabated is essential worldwide. Having the confidence of our allies and the respect of our adversaries in knowing that the U.S. Navy will take the lead to safeguard the maritime domain is a central premise to our wellbeing as a nation.

After a year of sequestration, the passage of the two-year Bipartisan Budget Act of 2013 provided some temporary relief from chaotic short-term budget uncertainty. However, without further legislation, the Budget Control Act (BCA) spending caps will return in FY16, and with it, a military strategy based on an anemic funding level, traditionally apportioned amongst the services, and not reflective of today's international challenges. I am only one voice in a chorus of former military officers, diplomats, businesspersons, politicians, and private citizens who harbor deep reservations about our nation's ability to meet the threats and challenges of an increasingly complex security environment. The impact of this uncertainty precludes the detailed and deliberate investment planning required to shape the navy of the future, and no doubt adversely affects not just the health and vitality of our military and its vitally important industrial base, but the entire defense community. I fully concur with the CNO's assessment that

a return to sequestration funding for the Navy will result in a high risk that the Navy will not be able to prevail in all warfare areas against a near-peer force (China or a resurgent Russia) or be able to deal with more than one major contingency (N. Korea, Iran, etc.) at a time.

Against this backdrop, last Tuesday the President released his Fiscal Year 2015 budget request for the Department of Defense. On the same day, the Department of Defense released its updated defense strategy outlined in the recently completed 2014 Quadrennial Defense Review (QDR). The QDR identified three strategic pillars: defending the homeland against all threats; building security globally by projecting U.S. influence and deterring aggression; and remaining prepared to win decisively against any adversary should deterrence fail. The QDR also calls for Joint Force “rebalancing” in four key areas; (1) *rebalancing for a broad spectrum of conflict*, (2) *rebalancing and sustaining our presence and posture abroad*, (3) *rebalancing capability, capacity, and readiness within the Joint Force*, and (4) *rebalancing tooth and tail*. To satisfy all of these tasks will require tough choices on the part of our Navy. These choices will have impacts on force structure, acquisition, modernization, and manning.

The most acute challenge facing the US Navy is budgetary uncertainty in the near term and the threat of a return to the potentially disastrous sequestration funding levels after 2015. Out-year procurement of capital assets, principally ships and aircraft, needs a high level of certainty so our industrial base can invest efficiently and for the navy to plan effectively. Surely, major defense assets having strategic underpinnings, such as ballistic missile submarines and aircraft carriers, must be dialed into out-year budgets so that the nation can proceed without the confusion and high costs associated with indecision. As it now appears, building the replacement to the Ohio-class SSBN in the 2020s within the traditional \$11-14 billion allocated to Navy shipbuilding per year will stop the procurement of a host of other ship and aircraft programs. A resulting multi-year pause in procurement affecting an already fragile industrial base and shipbuilding plan (large and small surface combatants, aircraft carriers, amphibious and support ships, patrol and attack aircraft programs, and attack submarines) must be avoided. It is incumbent upon this and succeeding administrations and Congresses to plan for these large capital expenditures in a balanced way. Short of an external addition to the Navy’s SCN account to pay for our nation’s most survivable strategic assets (SSBN submarines), which will carry about 70% of our strategic deterrent missiles, the *Navy’s 30 year shipbuilding plan and the force*

levels it provides will be far from achievable. The impact will be that our Navy will be unable to safeguard the United States' future economic and diplomatic leadership, and we will have squandered the inheritance obtained from the sacrifices of generations going back to World War II and beyond.

One of the most damaging things Congress can do to the Services' ability to remain balanced across all warfare areas is to expect the Services to maintain its present force level in the face of reduced money to pay for it. Navy's budget from FY10 to FY19 is en route a 21% reduction. The Budget Control Act mindlessly pushes that topline reduction downward to an ultimate 25% reduction from FY14 to FY23, to a topline lower in real dollars than in 2003. More immediately, Navy's PB15 budget is a \$31B reduction from the PB14 FYDP. Reductions of that scale can be off-set only by large expenditures, such as in the shipbuilding, ship repair, and aircraft procurement accounts, or by wholesale personnel reductions. The overhaul of the USS GEORGE WASHINGTON (CVN-73) and preservation of its air wing, for instance, is approximately a \$7B investment across the FYDP. The Navy has little choice other than to decommission that national asset half way through its productive and capable lifespan as part of a larger plan to cut force structure. That is incredibly troubling, and in my opinion, blatantly short-sighted; but unless this committee and this Congress value these national assets through a strategic lens and fully funds their operations for the design-life of the ship, I fear that today's budget challenges will "scratch one flattop," a feat no enemy has been able to do for over 70 years.

Stark realities of budget cuts are manifest in aircraft and air vehicle procurement, as well. The implications of the \$31 billion reduction from PB14 to PB15 funding levels mean 111 fewer aircraft across the FYDP. Included in this list are 33 fewer F-35 Lightning II aircraft, 8 fewer P-8A Poseidon maritime patrol aircraft, and a 30% reduction in the number of MQ-4C Triton air vehicles this nation relies upon for long-range surveillance. Some 3,500 fewer weapons will be procured in the FYDP because of the BCA, as well. The impact to shore support infrastructure, already underfunded in some accounts from previous years, sees a further reduction in sustainment, restoration, and modernization accounts. No program is immune from substantial cuts.

The post BCA environment will have other challenges. I believe the Navy's investment in phased modernization of some eleven cruisers and three amphibious ships is an innovative way to preserve force structure while preparing for an uncertain future. Given the tight funding provided in the Navy's budget allocation, I strongly endorse this approach. I encourage the committee to look past the near-term reductions in employable ships to the 2025 timeframe when these ships will regain their standing as top-flight command and control air defense ships. Additionally, should a national emergency require it and the funding were provided by Congress, these ships could be ready for deployment much faster than waiting for a new construction ship to enter the fleet.

Careful consideration must be given to ensure our ships maintain a high lethality in all domains. The committee ought to ensure that potent anti-surface, subsurface, and air defense systems are resident in all ships-of-the-line. This does not mean that every ship needs to possess 360-degree defense and offense supremacy. Ships like the two models of the LCS provide the combatant commander with a relatively low cost littoral-presence for the commanders' many phase zero and phase one missions and provide for a much-improved mine warfare platform. The LCS's modular anti-submarine warfare suite will give it an unmatched capability in the littoral. The ship also provides the joint force a phenomenal platform to support multifaceted special operations throughout the world's littorals. I urge, most ardently, that the committee work to continue funding a small surface combatant in the approximate timeframe to satisfy the 52-ship small surface combatant requirement. Moreover, I encourage the committee to realize the benefits in the Department of the Navy's use of non-traditional ship types for ship-to-shore connector missions, afloat staging bases, and other niche joint and coalition operations.

Another challenge is people. Yes, the rate of growth in the manpower accounts warrants a holistic look at the benefits package for service members. A boost to compensation in areas that promote mastering the most valued skills, undertaking the most difficult jobs, and volunteering for the most arduous deployments is warranted. Reining in the significant growth of medical expenses, housing stipends, and subsistence payments is also warranted. However, these efforts ought to be accomplished in stride with other discretionary and non-discretionary adjustments. Retiree remuneration and copays ought to be part of this reassessment. In addition to the 1% of our population that makes up our military, I believe that adjustments and shared

sacrifice should be expected of all citizens. The military people with whom I have discussed this issue understand the need for getting personnel costs and benefits under control. They also believe that they should not be alone in this effort.

Permit me to speak briefly about our Navy as an institution. As a father of female naval officers and a keen observer of the health of the force, I am dismayed and disappointed by repeated reports of untoward behavior, to include violent sexual assaults and significant shortcomings of military leaders. However, as more than just an interested observer, I am hugely appreciative of the Department's emphasis to inform, educate, reiterate, enforce, investigate, prosecute, and drive out all manner of assaults within the ranks. I look forward to the day when society will recognize that the military again leads the way in its progressive pursuit of zero tolerance of such behavior and acts on fellow sailors and civilians alike.

As Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen stated that the national debt is America's biggest threat to national security. While that is as true today as it was then, returning to BCA-constrained spending levels in FY 2016 will dramatically increase the risk this administration and Congress take in executing our Defense Strategic Guidance.

I thank you for the opportunity to testify before you today and look forward to your questions.