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THE SENATE ARMED
SERVICES COMMITTEE

STATEMENT OF
GORDON R. ENGLAND
SECRETARY OF THE NAVY
BEFORE THE
SENATE ARMED SERVICES COMMITTEE
10 JULY 2001

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Mr. Chairman, members of the Committee, good morning. Thank you for the opportunity to speak with you today. The CNO, Commandant and I are grateful for your continuing support to keep the Navy and Marine Corps the very best in the world.

Let me begin by saying the Navy and Marine Corps remain a strong and potent arm of our Nation's military forces. They have maintained a forward presence in all corners of the globe ready to perform any mission called for from humanitarian relief to interdiction operations. Able to deploy on short notice the Navy Marine Corps team provides the theater and regional commanders a well trained and effective fighting force.

In his remarks at the Naval Academy graduation, President Bush said "we must build forces that draw upon the revolutionary advances in the technology of war that will allow us to keep the peace by redefining war on our terms -- a force that is defined less by size and more by knowledge and swiftness... and that relies heavily on stealth, precision weaponry and information technologies." I am in full agreement with this challenge and, while naval forces inherently fit the President's vision, some modifications and alignments may be needed to meet these goals.

But such changes are best made with a full understanding of the uses to which Navy and Marine Corps units are being put today. For instance, forward deployed naval forces are present around the world and are central to assuring the availability of the sea lines through which international commerce and key resources such as oil flow. Also, as Theater Commanders-in-Chief develop their comprehensive Theater Engagement Plans (TEP) in support of the National Security Strategy and National Military Strategy, the Navy and Marine Corps play particularly important roles in TEP execution by virtue of their regular forward presence. And lastly, we know that naval forces are regularly called

upon to execute combat tasking on short notice in distant parts of the world. From the time my predecessor testified before this committee on 10 February 2000, Navy or Marine forces have engaged in combat over the skies of Iraq, in humanitarian support in East Timor, South America and in Europe.

Looking forward, it is useful to note that for some time the sea services have undertaken an evolutionary shift from operations predominantly on the open seas to operations that include the littoral: an evolution that has underscored the requirement for improved data networking; tailored battle management systems and sensors; and innovative ideas for employing Marines that are attuned to the difficult littoral environment – afloat and ashore. This shift in focus generates a need to look at our equipment across a broader mission range...such as time-critical strike, ballistic and cruise missile defense; littoral and deep water anti-submarine warfare; intelligence, surveillance, and reconnaissance; air and ground mobility; and expeditionary maneuver warfare.

We also recognize that we need to recapitalize our force -- by that I mean building new platforms -- for the future. For instance, even as the average age of our ships has been steadily increasing to its present average of 16 years -- and trending upward for the next five or so years -- our building rates have not been keeping apace. Likewise, the average age of Navy and Marine Corps aircraft is about 18 years... close to the age of those Sailors and Marines who maintain them. However, the shape of the Navy of the future may change, as we work to develop a new national military strategy that takes new

threats and new opportunities into consideration. Here also building aircraft in sufficient numbers... ideally at economical orders of production... is called for.

We have precious few new programs to recapitalize our forces other than systems like DDG 51, F/A-18E/F, and the new carrier under construction, USS RONALD REAGAN. In fact, projected replacement aircraft, such as the F/A-18 E/F and the Joint Strike Fighter do not meet the entire need under current plans, as there are no replacements scheduled for the EA-6B, P-3, or E-2 aircraft and some of our helicopter fleet. New funding may be needed, but I also intend to identify some funding sources through process improvement.

Modernization of our current force is also an imperative because of the requirement to be able to prevail if called upon in the near term. Nonetheless, it is prudent to accept reasonable risk by some reduction of expenditure in these accounts in order to make available assets for recapitalization for the future.

With that backdrop, I intend to make the most of our Navy-Marine Corps team by focusing on four strategic areas: **combat capability, people, technology, and business practices.**

First, as this Committee is well aware, the primary purpose of the Navy and Marine Corps is to deter, train for, and when necessary, fight and win our Nation's battles. In remaining faithful to this charge, combat capability, which includes readiness, must be our primary emphasis. In all our decision-making, we will ask the question, "Does this task, program, organization or facility materially contribute to improving our combat capability?" Likewise we will recognize that what has worked in the past may not always succeed in the future. Therefore, the department will invest more in technical

and doctrinal experimentation, and in new and different ways of accomplishing our mission. Let me emphasize, our mission is, and will remain, joint. We are committed to the concept “One Team, One Fight.” Along with our sister services and allies, we will organize, equip and train to fight jointly, recognizing that forward deployed naval forces are integral to the combined efforts of all the armed services.

Second, my very highest priority is our men and women in uniform, their families and our civilian workforce. During my confirmation hearings, I commented that any capital asset purchased by the Department of the Navy has no value to the nation until it is manned by highly motivated and trained people. Therefore, as we plan for the future, we need to first be sure that our personnel policies will provide us the people and skills we require for our future systems.

In this regard, emphasis needs to be placed on “Quality of Service” – achieving a higher quality workplace as well as a higher quality of life for our Sailors, Marines, active duty and reserve, and civilians and all of their families. The goal will be to create an environment where our men and women can excel at their chosen profession, unimpeded by factors that divert their attention from work and sap their morale. This includes state-of-the-art tools, cutting-edge training, competitive compensation and efficient health care, and an operational tempo that considers the individual, as well as the family. Fostering a positive working environment where young men and women believe they contribute meaningfully to their units will encourage them to want to stay and grow with our team. When people want to stay with a group, others will want to join that group. Retention is a great recruiting tool!

Third, the application of advanced technology is central to our Nation's military strength. I am concerned, however, that the application of technology in the military has for a generation lagged its commercial availability. This is a high priority in our combat systems, but also includes technology for training, testing and management systems. Technological advances are central to the priorities set forth by the President and Secretary of Defense as we shift from the 20th century force, to the more lethal and agile one of the 21st. Technology will emphasize networks of information and communications as well as improvements in sensors and weapons. Initiatives are on going to translate such concepts as the Navy's Netcentric Warfare and the Marine Corps Expeditionary Maneuver Warfare into reality. The Naval War College's Navy Warfare Development Command and Marine Corps Combat Development Command along with numerous Fleet Battle Experiments are but one example of the testing of new concepts, equipment, and doctrine in both the joint and naval environments.

But technology is changing fast, so care must be taken to plan for future advances by anticipating logical insertion points early in the design process. This preplanned improvement schedule combined with spiral design should allow for the delivery of increased combat capability over a shorter period of time. Also important, U.S. systems need to have designed into them conduits that allow our allies to participate to the best of their significant capabilities at increasing levels of complexity. It goes without saying that embarking on this technological transformation will necessitate we recruit, train, and retain bright and intelligent people to operate and maintain these systems.

Fourth, our management team should be more process-oriented, working on ways to improve "how we do business" rather than concentrating only on specific programs

and products. To do that, we need to know where we are and to have clear visibility of where we are going. Measures and metrics provide the tools to do so and as such, will be a key element of our process-oriented management strategy. Our cold war acquisition infrastructure and regulations have been described as a “voracious dinosaur consuming dollars which should be applied to the real mission.” It is time to change. Borrowing applicable business practices from commercial industry is a logical step. While the Navy and Marine Corps will always need good leaders in their primary combat arms arena, the Department of Navy will also develop leaders with a better understanding of business strategies, cost control and rapid and flexible design.

The Department has embraced the use of teams for integrated product and process development. We intend also to focus on activity based costing to better understand the actual price we are paying for a platform or system, both for acquisition and equally importantly for support over the life of the system. These initiatives should help to free resources to recapitalize our operating forces, establish processes that leverage commercial capabilities, maintain excellence and attract and retain quality people.

The world has changed a great deal over the past decade. But one thing, has not changed: the Navy and Marine Corps needs to deter, train for, and when necessary fight and win our Nation’s battles. As we steam into this new century, I am reminded that forward presence provides an essential benefit for our nation. The Navy and Marine Corps, and in fact the entire U.S. military, contribute to a stable global environment allowing our economy and our citizens to prosper along with other nations and peoples throughout the world. The stabilizing benefits of American military strength are key to

our national interests and the well being of the international community. The investment by our nation in its military to underwrite this prosperity is, indeed quite modest.

I look forward to working with the Congress, the Secretary of Defense, and our sister Services to meet the challenges in the next year and beyond. The changes and transformations I have discussed constitute a start at the beginning of the new century.

Thank you for your time this morning and your continued support for our Sailors, Marines...active and reserve... our civilians and their families.

The statements made in this testimony are contingent upon the results of Secretary Rumsfeld's strategic review. I ask that you consider them in that light.