

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
SENATE ARMED SERVICES COMMITTEE

STATEMENT OF  
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CHIEF OF NAVAL OPERATIONS  
BEFORE THE  
SENATE ARMED SERVICES COMMITTEE  
07 MARCH 2002

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Mr. Chairman and members of the Committee, I appreciate this opportunity to appear before you. Your support of America's Navy has been vital to accomplishing our missions around the world -- including swift and effective response to the attacks of 11 September 2001. I speak for the entire Fleet in thanking you.

**I: The United States Navy -- Presence...Power...Precision**

On 11 September 2001, *USS ENTERPRISE* was returning from deployment when satellite television provided tragic images of deadly attacks at home half a world away.

Within moments, the "Big E's" rudder swept over and, using the forward presence and mobility unique to naval forces, headed for the Arabian Sea. By the next morning, *ENTERPRISE* was within reach of Afghanistan, ready to launch and sustain precision strikes against dispersed enemies hundreds of miles from the sea.

*ENTERPRISE* was not alone in taking prompt action. *USS CARL VINSON* steamed at high speed to join her on station while surface combatants and submarines prepared Tomahawk missiles for long-range strikes. *USS PELELIU's* Amphibious Ready Group cut short a port visit to Australia and sailed toward the Arabian Sea. *USS KITTY HAWK* prepared to leave its homeport in Japan to serve as an innovative Special Operations support platform.

At home, shipmates saved shipmates in the Pentagon and swiftly reestablished command and control. *USS GEORGE WASHINGTON* and *USS JOHN C. STENNIS* took station off the East and West coasts of the United States along with more than a dozen cruisers and destroyers, guarding the air and sea approaches to our shores. Shortly thereafter, the hospital ship *USNS COMFORT* arrived in New York City, joining the Military Sealift Command Ship *USNS DENEbola* in providing food, berthing, and medical support to firefighters and recovery workers toiling in the ruins of the World Trade Center.

In the weeks following 11 September, naval forces led the way. Tomahawk shooters suppressed enemy air defenses while carrier strike packages flew hundreds of miles beyond the sea, destroying the enemy's ability to fight. Nearly 60 U.S. Navy ships have participated in Operation ENDURING FREEDOM thus far

and over 9,000 sorties have been flown over Afghanistan, many in conjunction with U.S Air Force assets. Sustained from the sea, US Marines, Navy SEALs, Seabees, and Joint Special Operations Forces worked with local allies to free Afghanistan from the Taliban regime and al Qaeda terrorist network.

Presence...Power...Precision. Our Navy's response to the events of 11 September is testimony to the dedicated service of our active and reserve Sailors, and our Marine and civilian shipmates in the Department of the Navy. It underlines the mobility, lethality, and reach of naval forces. Most importantly, it shows our dedication to mission accomplishment. We stand ready to fight and win!

## **II. Violent Horizons and Navy Transformation**

The Global War on Terrorism is but the first war of the 21st century. Violent horizons lie before us, harboring profound challenges including the threat of cyberwar, weapons of mass destruction (WMD), continued international terrorism, and the havoc accompanying failed states. Importantly, such threats do not replace the specter of state-on-state conflict. They add to the danger and uncertainty, providing new sparks to already combustible situations.

Today's world is more dangerous in many ways than that which existed when we faced the global strike and sea denial capabilities of the Soviet Union. To ensure future warfighting effectiveness in this uncertain strategic environment, sovereign naval forces are being transformed to better prevent crises and -- should deterrence fail -- project offensive and defensive power ashore to defeat all adversaries. To accomplish these missions, we are striving to realize major increases in operational mobility, lethality, speed, stealth, precision and firepower.

We are transforming to become a 21<sup>st</sup> century Navy of awesome capabilities: strategically and operationally agile; technologically and organizationally innovative; networked at every level; highly joint; and effectively integrated with allies. Enhanced naval capabilities will include deterrence options spanning the full range of threats facing our nation. The ability of on-scene naval forces to shape events and control crises by both kinetic and non-kinetic means will be of increasing importance as WMDs proliferate in the future.

Dispersed and independent naval forces will provide the nation with global precision and persistent strike capabilities, poised to seize the initiative, drive operational timelines, and foreclose enemy options. Sea-basing of joint assets will be fundamental to this mission, providing sanctuary for friendly forces at sea, away from vulnerable cities and troop concentrations ashore.

Naval forces will provide maritime strategic defense -- assuring access to troops and cargo, projecting air defenses overland in support of joint forces and allies, and serving as a critical part of homeland defense by operating alongside numerous agencies, especially the United States Coast Guard.

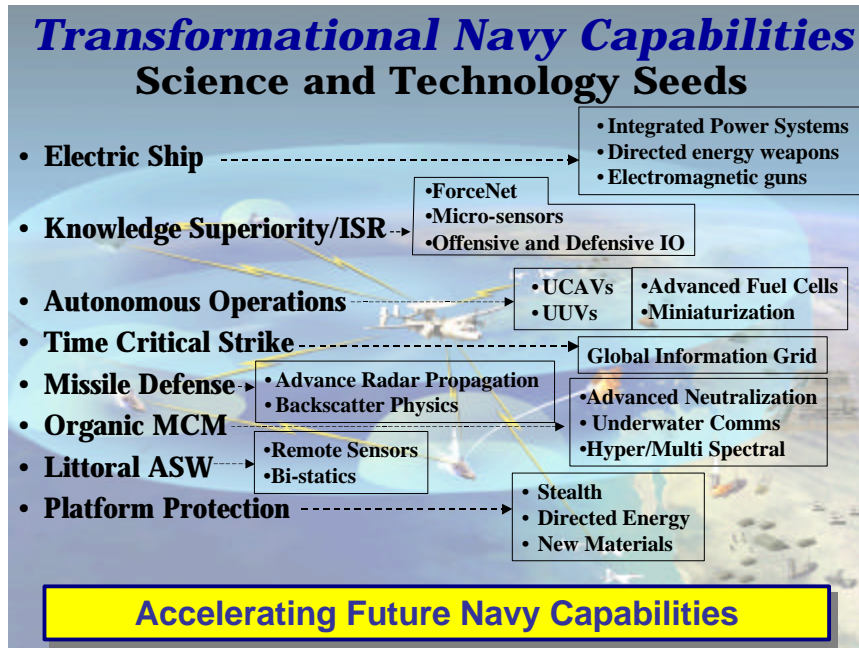
Our Navy is also dedicated to developing maritime-based information operations. Greater naval emphasis on information operations reinforces the larger transformation the U.S. military is undergoing in moving from the industrial age to the information age. Highly integrated, survivable, and redundant information systems are America's asymmetric advantage, and naval forces provide critical nodes in our global information grid.

This family of shaping, offensive, and defensive missions will be enabled by network-centric warfare -- the integration of sensors, information systems, platforms, and weapons to achieve major increases in warfighting effectiveness. Networks have been a Navy strength for decades and we are continuing to invest in this critical area.

Regarding platforms, 60% of the ships in the Navy today will be in the fleet in 2020. Thus a significant portion of Navy's transformation will occur within existing hulls, placing an emphasis on new systems and capabilities that can be inserted through modernization. These upgraded platforms will complement new ships and aircraft joining our fleet.

Examples of exciting new technologies that will accelerate our transformation toward a fully networked Navy include the DD(X) destroyer, SSGN strike submarine, Joint Strike Fighter, Unmanned Aerial Vehicles, Unmanned Underwater Vehicles, Tactical Tomahawk, Advanced Gun System, Theater Ballistic Missile system, Cooperative Engagement Capability, and Navy-Marine Corps Intranet, among others. These systems, in turn, will be employed in innovative ways via concepts validated in the Fleet Battle Experiment series coordinated by the Navy Warfare Development Command in Newport, Rhode Island.

Successful transformation will yield a dispersed and networked fleet that enhances deterrence, assures access, conducts precision strikes, gathers real-time intelligence, exercises joint command and control, and leverages the priceless advantage of sea control. In short, it will be a fleet that serves as the leading edge of America's defense -- around the world, around the clock.



### III. Naval Forces - Leading Edge of America's Defense

The shaping, offensive, and defensive missions described in section II determine our Navy's posture, programs, and character. Expeditionary naval forces are central to the National Military Strategy and regional Commander-in-Chief (CINC) plans for combat operations. While some ships and squadrons are homeported overseas, most deploy rotationally for periods of six months in an 18-24 month cycle. This construct drives the Navy's force structure.

Forward-deployed naval forces -- immediately employable, operationally agile, and capable of sustained combat operations against any adversary -- are a critical part of America's defense. This has been especially true since the end of the

Cold War, as the U.S. military has become a largely homeland-based force.

The United States withdrew two-thirds of permanently stationed military forces from Europe following the collapse of the Soviet Union. In the Middle East, all services fulfill presence requirements with rotational units. With the exception of Korea and Japan, Asian commitments are covered by naval forces or fly-away units from the United States. This draw-down of permanently stationed overseas forces amplifies the importance of the expeditionary Navy-Marine Corps team.

Accomplishing our missions has become steadily more challenging as the Navy's force structure declined 41% since 1991, from 538 to 318 ships. Yet the Global War on Terrorism has increased the call for forward-deployed naval forces. To support the war, we routinely have 85 ships deployed around the world.

In view of this larger requirement, we are investigating innovative methods of increasing the presence and striking power of naval forces. One construct is to complement Amphibious Ready Groups with surface combatants and submarines, producing Expeditionary Strike Forces equipped to destroy terrorist elements wherever they may be found.

We are also going to experiment with flexible manning techniques that may produce greater efficiencies in conducting prolonged on-station missions, such as guarding international straits or other locations of exceptional strategic value.

The Navy's contribution to the Global War on Terrorism is a vital component of our national effort to secure a safer world. It is stressing our force considerably, however. There is little elasticity in our force structure to allow for growth in the homeland defense, overseas defense, and offensive missions associated with the on-going campaign.

#### **IV. Manpower and Current Readiness: Solid Progress**

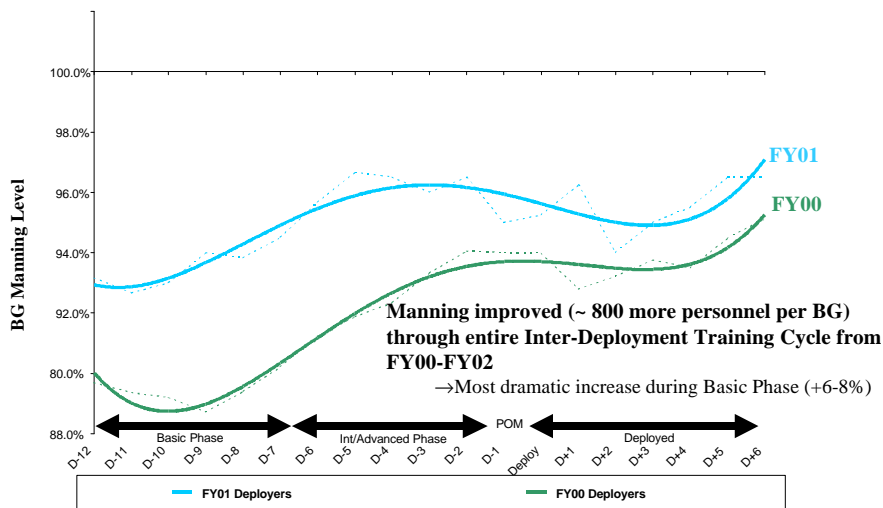
Thanks to superb leadership in the fleet -- and the full support of the American people and Congress -- our Navy is making solid progress in addressing long-standing issues, particularly concerning manpower and current readiness. These are the areas most vital to ensuring we have what it takes to win today.

Navy men and women are our most valuable resource and we must provide them with the tools and leadership to succeed. Improvements in compensation that Congress supported -- bonuses, pay table adjustments, retirement reforms, and better medical benefits -- are having the desired impact. The targeted pay raise and other initiatives in the FY03 budget will reinforce these positive trends.

We are particularly grateful for Congressional support of the Career Sea Pay program. Until FY02, Career Sea Pay had not been increased since 1986, greatly eroding its value. Thanks to new authority granted by Congress, Career Sea Pay is now received by all Sailors from the moment they report for sea duty, bolstering our retention efforts. An additional 25,000 Sailors now receive Career Sea Pay.

These initiatives are paying off. Navy met its overall recruiting goals in FYs 99, 00, and 01 and significantly improved reenlistment rates. This year, we are well ahead of the record-setting pace set in FY01. Thanks to these successes, battle groups are deploying better manned than ever before.

## Normalized BG Manning Levels



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We are winning the battle for people, but important challenges remain. Officer retention in most line communities is below required levels and recruiting shortfalls exist in officer specialty areas and critical enlisted ratings.

We are also dedicated to continuing the fight against attrition. The annual attrition rate for first-term Sailors has been reduced from over 14% to 10% since 1998, retaining thousands of young men and women for service. We can do better, however. Concerned, involved leadership is central to minimizing attrition without compromising standards. To make this happen, I have directed Navy leaders to take every measure to ensure their people succeed and prosper.

Key to achieving that goal is cultivating a command climate throughout the Navy that offers plentiful opportunities, encourages participation, and is conducive to personal and professional growth. We are also striving to minimize the increased wartime operational tempo of the fleet via careful planning and innovative training. This is the first time in history that the Services have faced a prolonged conflict with an all-volunteer force, and we must protect the integrity of our fleet.

A major initiative aimed at strengthening the professional development of Sailors is Task Force EXCEL (Excellence through our Commitment to Education and Learning), which is leading a revolution in Navy training. This effort will leverage new delivery mechanisms including distance learning technologies and an enhanced Navy information exchange network to provide a career-long training continuum for our Sailors.

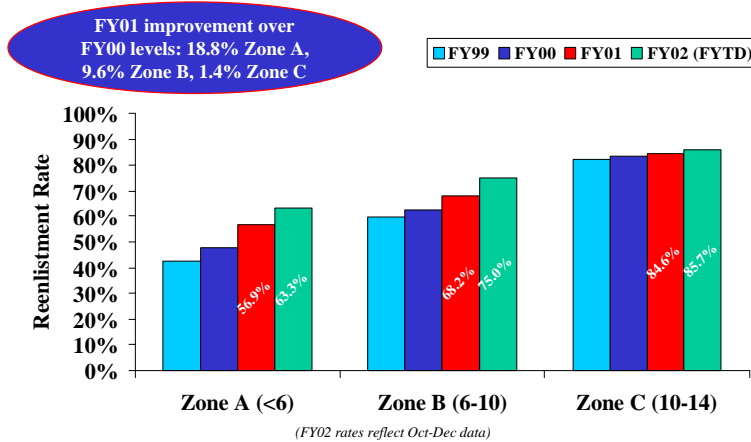
Additional specifics regarding progress being made in manpower and current readiness follow:

- Sailors are staying Navy and more are being advanced. 2001 was a record year for retention. We retained 57% of all eligible Sailors at the end of their first enlistment, 68% of Sailors with 6-10 years of Service, and 84% of Sailors with 10-14 years of Service. 1,512 more Sailors were advanced in 2001 than the year before.



# Navy Enlisted Reenlistment

...the percentage of Sailors at a career decision point who choose to stay Navy



- Pay is improving. In 2001, Congress provided the biggest base pay raise since 1981 and started reducing out-of-pocket expenses for housing. Our people are also being compensated for their valuable experience and skills via special and incentive pays, and retention bonuses.
- Sailors can invest in their own future. The new Thrift Savings Plan (TSP) provides a tax-deferred wealth-building vehicle to help military personnel achieve financial security. Navy leads all services in TSP enrollment.
- More readiness money is flowing to the fleet. Our priority is to take care of the Navy our nation's taxpayers have already purchased. FY02's budget adds over \$5 billion dollars to Navy readiness accounts over FY01 levels.
- Combat readiness is improving. Fifty percent of additional funding the Department of the Navy received in FY02 was devoted to enhancing current readiness, while 25% was directed toward Research and Development. Average readiness scores for our airwings improved by 8.2% from FY00 to FY01.
- Ships and aircraft joining the fleet are the best in the world. In 2001, *USS RONALD REAGAN* was christened and *USS IWO JIMA* was commissioned. Production is gearing up on more *ARLEIGH BURKE* class destroyers, *VIRGINIA* class submarines, F/A-18 E/F strike fighters, MH-60S helicopters,

and other outstanding programs.

- Innovation is central to our Navy. The new surface warfare family of ships will provide firepower across the full spectrum of 21st century operations. Our Navy also remains committed to Ballistic Missile Defense, working together with the new Missile Defense Agency to accomplish this vital mission.
- Transformational capabilities are being realized, including Cooperative Engagement Capability (CEC), the E-2 Radar Modernization Program, Tactical Tomahawk, Active Electronically Scanned Array (AESA), Advanced Targeting Forward-Looking Infrared (ATFLIR), Advanced Rapid Commercial Off the Shelf Insertion (ARCI), and the Enhanced Range Guided Munition, to name just a few.
- Experimentation has shifted to the waterfront. The Navy Warfare Development Command in Newport has been placed under Commander, Fleet Forces Command to strengthen the fleet's impact on innovation and experimentation.

## **V. The Power of Alignment**

Proper alignment is critical to ensuring our organization, systems, and processes deliver a combat-capable Navy that remains ready to sail in harm's way. Toward that end, we reorganized the Navy Staff so that a Deputy CNO is focused exclusively on Fleet Readiness and Logistics, while another Deputy CNO is dedicated to Warfare Requirements and Programs.

On the waterfront, we strengthened coordination between the Atlantic and Pacific Fleets by creating Commander, Fleet Forces Command. We also streamlined leadership of naval aviation, surface, and subsurface forces by establishing Fleet Type Commanders to lead each of those communities. These initiatives will improve operational performance by allowing us to more accurately determine requirements, enhance readiness, and maximize investment effectiveness.

We must, at every level, ensure our Navy is functioning as effectively and efficiently as possible. The Secretary of the Navy has made the incorporation of better business practices a major tenet of his plan of action. I share his dedication to this cause. Programs such as the Enterprise Resource Planning Group and Business Initiatives Council are central to this

mission. These efforts are aimed at obtaining more accurate requirements forecasting, enhanced stability in program execution, greater efficiency in system design and production, and improved expenditure discipline in infrastructure maintenance and renewal.

Achieving these goals will provide the taxpayer with a fuller return on the investment dollars they entrust to our Navy for their defense.

## **VI. Challenges: Future Readiness and Infrastructure**

These successes in manpower and current readiness mark important progress in strengthening our nation's defense. Yet challenges remain, particularly in the areas of future readiness and infrastructure. Current aircraft and ship procurement rates will, if continued, result in a Navy numerically smaller than today's, and significantly smaller than that needed to sustain the war. Such a fleet would be an invitation to greater operational risk and international instability.

The Global War on Terrorism has levied new demands on our Navy, emphasizing the need for fleet units to confidently meet the challenges of an uncertain world on short notice. We must be able to conduct combat operations anytime, anywhere with maximum effectiveness and minimum risk, including in the homeland defense role.

Key to achieving this goal is minimizing the loss of readiness that occurs between deployments. For too long, the readiness of deployed forces has been achieved at the expense of the non-deployed segment of our force structure. Although we have made progress in correcting shortfalls, many non-deployed units are still operating below satisfactory readiness levels, making it difficult to meet operational standards, fulfill homeland defense missions, and complete predeployment requirements.

The age of our equipment is a major part of this problem. Many amphibious ships and our fleet command ships are reaching the end of their service lives. Such units often require unscheduled maintenance, diverting funds obligated elsewhere. These actions, in turn, produce maintenance backlogs that we cannot afford operationally or financially.

Additionally, ships reaching service mid-life, like some of our AEGIS cruisers, require modernization to be operationally viable in the future. Funds to complete this type of modernization have not historically competed successfully against other recapitalization requirements. We must change this mindset.

Naval aviation, in particular, faces profound challenges. Our aviation force now contains the oldest mix of type/model/series aircraft in naval history. To provide context, naval aircraft are on average two years older than our ships. Yet these aircraft are being tasked to unprecedented levels in the Global War on Terrorism.

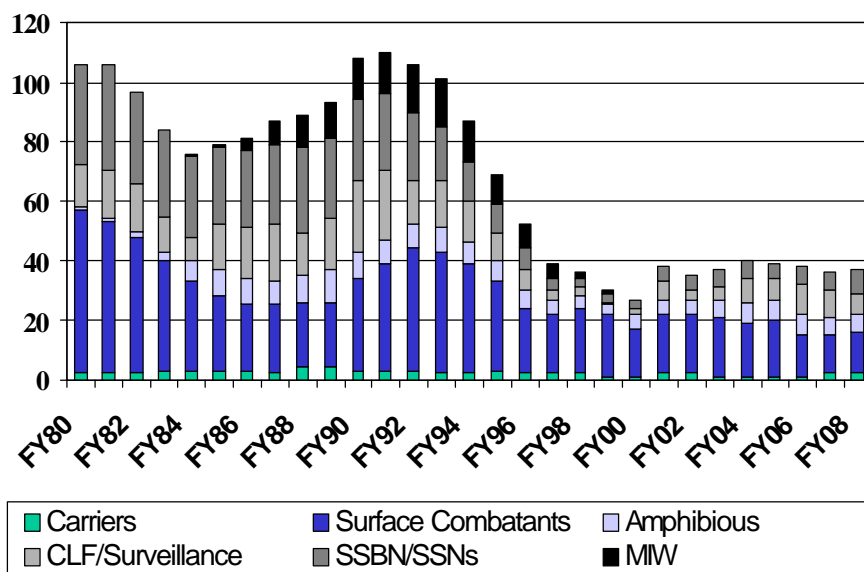
Naval aviation was under stress even before the current conflict. As a result, the F/A-18 force has been flown well in excess of planned utilization rates. More than 300 F/A-18 aircraft will require service life extensions earlier than planned. Similar situations apply to F-14s, EA-6Bs, P-3Cs, SH-60s, and virtually every other aircraft in the fleet.

One way to address the problems facing naval aviation is to introduce new aircraft into the fleet as soon as possible. Toward that end, the FY03 budget provides some relief, although the 83 aircraft being requested do not come close to the level required to sustain today's fleet at its present level.

While our combatant fleet is, on average, fairly young, the rate of ship recapitalization bears watching. The following chart illustrates the dramatic decline in authorized ships since 1980.

## SHIPS & SUBMARINES UNDER CONSTRUCTION

Fiscal Years 1980-2008



We must buy an average of 180-210 aircraft and nine ships a year starting in the later years of the FYDP to sustain today's fleet. As noted, we are procuring significantly less than that. We will procure just five ships and 83 naval aircraft in FY03.

The impact of the current procurement rate goes beyond force levels. It adversely affects the stability of our defense industrial base, and we are paying a premium in program cost due to the small number of units being built.

Still, we are investing in impressive programs that will comprise the core capability of our force in the coming decades. DD(X), CVN(X), JSF, FA-18E/F, LPD-17 and the VIRGINIA-class SSN present impressive technological leaps in warfighting capability, innovation, and reliability. Program specifics include:

DD(X)/CG(X)/LCS. Maritime dominance in the 21st century requires a naval force capable of projecting power and defeating anti-access threats. To accomplish these missions, the future surface naval combatant force will consist of four elements: DD(X) advanced multi-mission destroyers that provide precision strike and volume fires; CG(X) advanced cruisers to achieve sustained air superiority against airborne threats and ballistic

missiles; agile Littoral Combat Ships (LCS) to defeat enemy defenses such as mines, small boats, and submarines; and today's AEGIS fleet kept current through the insertion of developing technologies. Cutting-edge systems integral to this family of ships include the Advanced Gun System, Multi-Function Radar/Volume Search Radar, Integrated Power System electric drive, and revolutionary hull forms.

CVN(X). The FY03 budget provides RDT&E and advance procurement for the first CVN(X). CVN(X) will replace *USS ENTERPRISE* in FY13, when that ship is in her 52nd year of commissioned service. Design objectives for the CVN(X) class include a significant reduction of total ownership costs during the carrier's 50-year expected service life, reduced manning, and incorporation of a flexible infrastructure that will allow the insertion of new capabilities as they evolve.

JSF. The Joint Strike Fighter contract was signed in 2001. It will provide an aircraft with unprecedented stealth and range to the fleet as part of a family of tri-service, next-generation strike aircraft with an emphasis on commonality and technological superiority at an affordable price. The FY03 budget supports procurement of the initial variant in FY06.

F/A-18E/F. The F/A-18E/F will replace older F/A-18s and all F-14s. There is extensive commonality of weapons systems, avionics, and software between F/A-18 variants, and the infrastructure supporting the Super Hornet builds upon existing organizations.

LPD-17. We are not requesting additional LPD-17 class ships in the FY03 budget due to design and production challenges with the lead ship. We remain fully committed to the program, however, as it supports vital littoral warfighting requirements and promises relief from the escalating costs of our aging amphibious ships. The twelve projected LPD-17s will replace four older classes of ships and serve as central elements of future Amphibious Ready Groups. We need to accelerate development as rapidly as design and production facilities will allow.

VIRGINIA-class submarine (SSN-774). This class will replace *LOS ANGELES*-class (SSN-688) attack submarines as they leave the fleet. SSN-774s are designed for multi-mission littoral operations, as well as traditional open-ocean anti-submarine and anti-surface missions. They will also incorporate new technologies as they become available, ensuring future

effectiveness. The FY03 budget procures one submarine per year and continues RDT&E. This pace of procurement will have to be increased beyond the current FYDP to maintain the required attack submarine force level over the long term.

Infrastructure. Sustaining quality infrastructure is an important part of ensuring future readiness. Unfortunately, Navy's shore infrastructure condition is unacceptable. We face an annual facility sustainment cost of \$1.3 billion to keep our infrastructure from deteriorating, which we are not meeting. It will cost an additional \$1.7 billion annually to correct C-3 and C-4 deficiencies and recapitalize our infrastructure at the DoD-mandated 67-year rate. Still more funding will be required to move Sailors ashore who currently live onboard ships.

Meeting these challenges requires consistent total facility life cycle investments and finding innovative ways to reduce our facility footprint. While the FY03 budget makes modest increases in Sustainment, Restoration, and Modernization (SRM) and Military Construction accounts, there is much left to be done. We are studying this problem and are working on a plan to provide out-year funding to help mitigate these significant challenges.

## **VII. Conclusion**

Our national leaders have repeatedly told the American people that the war against terrorism will be neither easy nor short. In addition to targeting international terrorist networks, the President singled out states sponsoring terrorism for military action should they threaten international peace.

This struggle promises to be global in scope and simultaneous in execution. It will require the full might of America's armed forces. In pursuing victory, the United States Navy -- forward deployed, highly capable, and poised for action -- will play a leading role.

I thank the Committee for your continued strong support of our Navy and our Sailors. Working together, I am confident that we will win the Global War on Terrorism, leading to a more stable and peaceful world.