

Chairman Adam Smith - Opening Statement (As Prepared)
Hearing on the Fiscal Year 2020 National Defense Authorization Budget
Request for the Department of the Navy
April 10, 2019

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Video link to the hearing: <https://armedservices.house.gov/2019/4/the-fy20-national-defense-authorization-budget-request-for-the-department-of-navy>

Thank you to each of our witnesses for joining us today. I'd like to welcome Secretary of the Navy, Richard Spencer, Chief of Naval Operations (CNO), Admiral John Richardson, and Commandant of the Marine Corps, General Robert Neller. I understand Admiral Richardson and General Neller are also retiring this summer. As we may not have the opportunity to hear them testify again, I wish to thank them for their service to our country.

In recent years, significant progress has been made in joint integration of the Navy and the Marine Corps. I have been pleased to see these efforts and interested to hear more regarding their work to strengthen ties and integrate. Additionally, like last week, I'm looking forward to our witness' insight into modernization plans, the state of our readiness, and the well-being of our military personnel and their families.

The committee continues to review the President's Fiscal Year (FY) 2020 budget request to inform the development of the FY2020 National Defense Authorization Act (NDAA). As a part of this review, the committee is taking a close look at the Navy's shipbuilding plans. The President's budget request includes strong support for shipbuilding including stable platforms like Virginia-class submarines and Arleigh Burke destroyers. However, there are concerning aspects of the Navy's plans.

The Navy is currently in the process or is about to launch several new classes of ships. These new classes are needed and will replace the workhorses of the fleet like the Arleigh Burke class destroyers. As the Navy begins this process, I am concerned that we do not repeat the mistakes of the past. For example, the Navy is developing a new Large Surface Combatant and the CNO has already stated he wants to see that ship begin construction as early as 2023. I appreciate the desire to integrate this new capability rapidly. Yet, this date appears to be arbitrary and setting an arbitrary date has had disastrous results in the past. The Littoral Combat Ship (LCS) and Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) aircraft are prime examples of what could go wrong. Further, the Initial Capabilities Document looks very similar to CG(X) cruiser program, which was later cancelled. The last two new design surface combatants - DDG-1000 and CG(X) - that were initiated were either truncated or cancelled outright. I'd like to know why things are different now. Is the Navy headed for a repeat of past mistakes?

The Navy also indicated a desire to purchase and field unmanned surface vessels as soon as possible. The President's budget request would begin serial production of ten new vessels at two per year for the next five years in an effort to field that capability quickly - without any requirements review, understanding of the concept of operations, or how to employ weapons on

an unmanned vessel, including the application of the law of armed conflict. The last example of the Navy proceeding directly to serial production of a ship without clear requirements was the LCS. The entire class of that ship has been authorized and, yet, the Navy still hasn't deployed one with a full capability and likely won't for at least another year. The block buy was authorized over 10 years ago. We've seen from lessons learned that speed in shipbuilding typically means fielding late.

The Navy and Marine Corps plans for equipment modernization and recapitalization reflect the capabilities they must sustain or achieve as a modern force, ready for the challenges by strategic competition and to align with the new National Defense Strategy (NDS). This morning we want to learn more about modernization plans and the programmatic health of the Navy and Marine Corps F-35B and C fighters, the CH-53K King Stallion heavy helicopter, the Amphibious Combat Vehicle, as well as ground-based air defense systems. We also want to learn about any new modernization initiatives in the budget request, how those programs directly support the goals and objectives of the NDS, and how programmatic trade-offs, if any, will affect those goals.

I'm also concerned with ship maintenance and fleet readiness. In the President's budget request, ship depot maintenance is funded at the same level as it was in FY2018. Flat funding would fund roughly 92 percent of the overall requirement. Nuclear work, like that for the CVNs and submarines, traditionally end up funding 100 percent of their requirement. At the same time, the Navy is also seeing about 5 percent growth work. That would leave the surface ships at roughly 79 percent. If both new and growth work are factored for surface vessels, they could receive funding for less than 75 percent of their requirement and that is probably a best-case scenario. How is the service serious about getting after Navy surface readiness in the wake of Fitzgerald and McCain? It is not apparent from the prioritization within their budget.

The Navy also continues to point to their force generation model - the Optimized Fleet Response Plan (OFRP) - as the way they will generate readiness. That plan makes assumptions that major carrier maintenance availabilities, around which the model is built, will last 16 months. Recently, almost all carrier maintenance availabilities have taken longer than that. For instance, the USS George H.W. Bush, was originally planned for 16 months, grew to 20 months due to new work added by the fleet, and finally grew again to 28 months due to other priorities in the shipyard. This seems to be flawed assumptions and I'd like to know practically how the Navy will generate readiness.

The Navy has also been challenged since 2012 to fill sea duty billets on ships with the correct rating and rank. The Navy is currently 6,500 personnel short at sea. If the Navy is meeting its current end strength requirement, I am concerned that this is a process or management problem and not putting the right people in the right place. This problem could be exacerbated as the Navy attempt to increase ships in the fleet over the next 5 to 10 years.

Finally, and egregiously, the Marine Corps installations have billions of dollars in damage as a result of Hurricane Florence but funding for the President's unnecessary border wall has been prioritized over military construction funding for these critical installations. The Marines are

facing unacceptable risk. Assistance to staunch current readiness risks and long-term damaging impacts to “Marine Corps combat readiness and solvency” is being caused, in part, by the Department’s inaction in addressing the full scope of disaster recovery required by the Marine Corps, border security funding transfers, and “unplanned/unbudgeted southwest border operations.”

I look forward to discussing these important issues and receiving today’s testimony.