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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF  
  
THE HONORABLE THOMAS B. MODLY  
ACTING SECRETARY OF THE NAVY

ADMIRAL MICHAEL M. GILDAY,  
CHIEF OF NAVAL OPERATIONS

GENERAL DAVID H. BERGER,  
COMMANDANT OF THE U.S. MARINE CORPS

ON FISCAL YEAR 2021 DEPARTMENT OF THE NAVY BUDGET

BEFORE THE  
HOUSE ARMED SERVICES COMMITTEE

FEBRUARY 27, 2020

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Chairman Smith, Ranking Member Thornberry, distinguished Members of the Committee, thank you for your bipartisan efforts to build the strength and readiness of our integrated naval force.

As the nation's forward-deployed, global maneuverable team, the entire Department of the Navy (DON) – Sailors, Marines and Civilians – must be ready to respond as a single unit wherever and whenever there is need. We must deliver the personnel, platforms, and operational capability necessary to secure vital sea lanes, stand by our allies, and protect the American people.

Accomplishing this in today's global strategic environment demands planning, clear-eyed assessments, and hard choices. We must design a future integrated naval force structure, advance our intellectual capacity and ethical excellence, and accelerate the digital modernization of our force. That's why this budget prioritizes a strategy-driven, balanced approach to investment, informed by relentless examination of our present capabilities and realities. It builds on prior investments while adjusting fire where necessary to deliver greater efficiency and effectiveness. It sustains the industrial base, and maintains our competitive advantage. Overall, this budget will deliver a more integrated, survivable, and affordable future force.

Our testimony details the combined perspectives of the DON civilian and military leadership. We begin with the challenges we face, followed by our overall strategic vision, then the specific priorities of the Navy and Marine Corps to meet the requirements of this vision and execute the National Defense Strategy (NDS), which remains the guidepost for all of our decisions. The Department of the Navy sustains progress along each of the NDS lines of effort through adequate and timely funding from our partners in Congress. We are proud to work in partnership with this Committee in defense of our nation, and look forward to that work continuing.

## **The Global Challenge**

The reemergence of long-term great power competition, the evolving character of that competition, and the accelerating advancements in technology are spurring a period of transformation in the strategic environment, requiring us to adapt our integrated naval force design and operating concepts to new realities. As the National Defense Strategy states, “there can be no complacency – we must make difficult choices and prioritize what is most important.”

Thus far this century, terrorist groups and rogue states have dominated our perception of the threat environment. These threats were lethal, but did not pose an existential threat to our national security. China and Russia present a different challenge, as each continues to develop sophisticated military capabilities backed by sizable economies. Their investments in surface, air, and undersea platforms have significantly increased the potential for kinetic conflict, while the leadership of both nations demonstrate increasing contempt for international law and the rules-based order that ensures the prosperity and security of all nations.

China’s battle fleet has grown from 262 to 335 surface ships over the last decade, and China’s commercial shipbuilding grew over 60% year over year from 2007-2017. It continues to take coercive actions against its neighbors and violate international law in the South China Sea. Russia’s irresponsible aggression continues on NATO’s eastern and northern flanks as well as the Black Sea, the Arabian Gulf, and the broader Indo-Pacific. China also invests heavily in submarines with advanced stealth capabilities and the platforms and infrastructure needed to dominate the emerging Arctic.

Meanwhile, warfare has evolved to new battlefields including cyberspace. China and other dangerous actors like Iran brazenly target the command, control, and communications (C3) systems and logistics networks on which our integrated naval force depends. China's nefarious activity also includes widespread cyber theft of intellectual property and sensitive information targeting our entire government, our allies, and our industry partners throughout the acquisition and supply chain.

As we prepare for the maturing threat of great power competition, we must remain on high alert for the actions of malign regimes such as Iran, and the continual asymmetric threat to our people, allies, and interests posed by non-state actors such as ISIS. In a recent example highlighting the impact of our integrated naval force, 5th Fleet and CTF-51/5 responded to crisis earlier this year by securing the U.S. Embassy in Baghdad with the Special Purpose Marine Air-Ground Task Force – Crisis Response – Central Command (SPMAGTF-CR-CC) and simultaneously coordinated additional naval support in theater. We stand ever-prepared to respond with every part of our integrated force to instability, terrorist threats, and rogue states throughout the world.

Our integrated naval force also has a critical role in preserving the infrastructure and access that powers the increasingly interconnected and interdependent United States and global economies. Our nation's continued prosperity and economic growth increasingly depend on open and secure access to the sea lanes. Maritime traffic has increased four-fold over the last two decades, with 90 percent of all global goods transiting shipping lanes, including new trade routes opening through the Arctic. Meanwhile, the undersea cables that power the digital economy and the global communications framework represent an overlooked but critical point of vulnerability for

American interests at home and abroad. Overall, the maritime system is more heavily used, more stressed, and more contested than ever before – and it has never been more important.

A dominant naval force is central to the effective execution of the National Defense Strategy in a changing world. But as we address these external concerns, we must also confront our business process challenges. These include a shrinking industrial base and vulnerable supply chain, inefficiencies due to legacy business operations, and antiquated acquisition processes which together result in increased costs and delays for both new development and overall maintenance. And despite the best efforts of this Committee, we must also continually prepare for the challenge posed by funding uncertainty.

Most importantly, we must never forget that our greatest resource is the men and women who wear the uniform, who comprise our civilian workforce, and the families that serve alongside them. We are committed to ensuring our Sailors, Marines, and Civilians are trained and equipped to execute the mission and return home safely, and that their families are provided with the housing, medical attention, and education they need.

As detailed in the following pages, our integrated naval force has made significant strides in addressing the external and internal challenges we face. But we can never be satisfied, and will always press forward with a sense of urgency to deliver the people, the platforms, and the capabilities necessary to protect the American people and our interests around the world.

## **Meeting the Challenge with an Agile Integrated Naval Force**

To meet these challenges, the NDS requires a dominant, agile, accountable, and globally positioned integrated naval force. We will plan, resource, and execute the NDS with specific focus on the following:

### **Integration**

We must transform from our present two-service model into one true expeditionary force in readiness, with the Navy and Marine Corps operating together with integrated planning, design, training, and execution at every echelon and in every domain. This priority has been emphasized in messages to the fleet and planning documents by each member of DON leadership and is a guiding principle for every aspect of our planning and resourcing.

### **Velocity**

Our integrated naval force must maintain the readiness and lethality to respond anywhere at any time. We will achieve this through a global operating model that ensures the continual posture, presence, and readiness of our personnel and platforms. We will dominate the fight to get to the fight, with forward basing, distributed maritime capability, fully integrated logistics, and continual aviation readiness. We also must increase the speed at which we do everything across the Department to match the rapid changes and unpredictability of the future environment.

## **Collaboration**

A primary line of effort in the NDS is to build and maintain a robust constellation of allies and partners. Our integrated naval force is committed to training, operating, and learning alongside our allies and partners in every part of the world through every day interaction and regular operational exercises such as Trident Juncture, Talisman Saber and Rim of the Pacific (RIMPAC). Afloat and ashore, our allies and partners are crucial force multipliers and enablers of our global reach, particularly in evolving regions such as the Indo-Pacific and the Arctic. We must also break down organizational silos across our own Department and build more collaborative relationships with the other Military Departments and the Interagency to support whole of government approaches to security that will become more prominent in the future.

## **Visibility**

While cutting edge ISR, cyber, aviation, and undersea assets ensure our global reach and awareness, there is no substitute for sustained presence and engagement. Through frequent port visits, stand-in forces, and Freedom of Navigation Operations (FONOPS), we will continue to demonstrate our enduring commitment to the defense of our people and interests, as well as our readiness and will to stand alongside our allies and partners. We will also focus on increasing transparency and information sharing in order to facilitate more rapid, and informed decisions.

## **Innovation**

We will transform the strategic space to our advantage through next generation research and development, industry partnerships, and naval education. We are embracing the challenge of next generation technology and determined to dominate the design, development and effective

deployment of major technological breakthroughs such as hypersonic weapons. We are making the key investments and forging the key partnerships to own the next “Sputnik Moment.” We will become more comfortable with trying new ways of doing business, and more forgiving of incremental failures made in support of change and progress.

## **Adaptability**

Where we cannot change the strategic environment through innovation, we will adapt to it quickly and efficiently through agile thinking and nimble platforms. This will allow us to protect our people and interests through unpredictable shifting security environments, and ensure the broadest range of options are available to the Commander in Chief and the Secretary of Defense. We will invest in an adaptable force structure, foster adaptable approaches to problems, and nurture the development of adaptable people comfortable with uncertainty and unpredictability.

## **Humility**

We will address our challenges with a sense of humility, taking full account of the deficiencies we have, but with confidence that they can be corrected. We will be realistic in our planning and budgeting to assure we do not trade growth for readiness. We will not allow ourselves to build a hollow force, but we will be honest with the Congress and the American people about what we see the areas in which we need their full support in order to build the integrated naval force that is required to maintain the nation’s security.

## **Gray Hulls: Building and Maintaining the Right Capabilities**

In order to meet the many demands of the global strategic environment and ensure our warriors are always prepared to dominate the fight, we must design a future integrated naval force structure aligned to the threats we face, both today and in the future. This budget prioritizes the readiness of those platforms and systems that will enable the United States to maintain and expand its competitive edge over all adversaries while we examine ways to grow the fleet in a reasonable timeframe, all while remaining responsible stewards of American taxpayer dollars.

### **Divesting from 20<sup>th</sup> Century Legacy Systems**

In keeping with the DoD-wide priority to modernize from low-value legacy systems to fund combat-overmatch lethality tuned to the challenge of great power competition, this budget divests from multiple legacy or surge-based capabilities that do not align with the requirements of the NDS. It shifts capabilities from a counterinsurgency focus to systems that enable our personnel to exploit positional advantage and defend key maritime terrain for persistent forward sea control and denial operations. This budget also aligns with Secretary Esper’s commitment to become more of a “fast follower” of commercial technology, and to dominate the future development and employment of artificial intelligence (AI) and hypersonics funding.

### **Building to a 355 Navy**

Thanks to the bipartisan efforts of this committee, the goal of a 355 ship Navy is now the law of the land. We will be working with the Office of the Secretary of Defense to develop a consensus perspective on this future force structure through robust analysis and wargaming and the

inclusion of expertise from our academic institutions (Naval War College, Naval Postgraduate School, Marine Corps University) and independent naval experts. This process will be **iterative and continuous**. In order to meet the nation's national security needs and remain within budget constraints, we must consider how to shift costs away from high-end platforms to a larger number of smaller, but still highly capable ships. Such a shift will allow broader presence, reduced manning, and longer reach through a significant increase in hypersonic weapons, greater stealth, and advanced anti-ISR capabilities.

We are also considering how unmanned surface and subsurface platforms should figure into our force mix. These platforms will not only allow us to distribute and conceal lethality, but to do so at a reduced cost and greater integration and interdependency with the Joint Force. While some perspectives vary on the ultimate composition of this future force mix, there is clear agreement that certain new classes of ships that currently do not exist today must be designed and built rapidly in the next ten years. The exact mix will be the subject of continuous evaluation and analysis, but it will not impede our immediate investment in the development and initial production of these new vessels.

### **Fielding a Ready, Relevant, Responsive Integrated Naval Expeditionary Force**

A key aspect of our transformation will be a shift to greater naval expeditionary force capabilities and a restoration of the Fleet Marine Force. The potential for rapid change in the global environment, particularly in the Indo-Pacific, demands a rebalance from the current Marine Corps force land and surge based posture to a more distributed, rapidly deployable and fully integrated force. This budget continues investment in key Marine Corps development

programs such as the Ground Based Anti-Ship Missile, Ground Based Air Defense, CH-53K helicopter, and F-35B Joint Strike Fighter, supporting Marine Corps efforts to enhance Long Range/Precision Fires, Protected Mobility/Enhanced Maneuver, and Air Defense.

### **Generating Readiness and Sustainability**

This budget optimizes Marine Corps readiness to achieve 80% serviceability of reportable expeditionary equipment, and implements the Commandant's Infrastructure Reset Strategy so our warriors are always prepared and present to defend our people, our interests, and our allies. It sustains the shipyards and supporting industrial base to maximize repair and modernization capacity and minimize turnaround and downtime. To provide continual presence and readiness for the fleet, this budget funds 58 days underway while deployed and 24 days underway while non-deployed per quarter, with an increase of 6.5% over last year for ship operations funding. Leveraging private sector best practices through the Naval Sustainment Strategy, this budget continues to invest in Aircraft Depot Maintenance to achieve the goal of 80% mission capable rates for strike fighter aircraft. This budget also increases the Flying Hour program by 5.8% and aligns the funding for air operations to the mission capable rates to ensure that all squadrons deploy combat-ready.

### **Producing Next Generation Superiority**

The *COLUMBIA*-class submarine program enters the first year of incremental procurement funding for the lead ship, and this budget resources the program for on-track delivery to meet the first deployment in 2031, with a second ballistic missile submarine starting in FY24 and serial production begins in FY26, furthering the recapitalization of our Strategic Nuclear Deterrent.

Additionally, we continue to resource the development of the Fast Frigate, and Future Large Surface Combatant, both of which will greatly enhance our distributed capabilities and forward deployed lethality. This budget also continues advanced capabilities in the F-35B and F-35C Joint Strike Fighter for both the Navy and Marine Corps. We also maintain investment in weapons development to provide for longer range and hypersonic weapons, with increasing investments in areas like Conventional Prompt Strike and our Standard Missile family. Finally, we will look to Congress for support in our effort to expand training and testing opportunities through range expansion aboard Naval Air Station Fallon in order to fully develop and train with these lethal capabilities.

## **Gray Zones: Winning the Fight Before the Fight**

The future battlespace extends well beyond the field of kinetic action. Ensuring our warriors are the best equipped and prepared in the world starts with accelerating our digital modernization across the force, streamlining our business processes and maintaining the highest level of efficiency. Agile and accountable naval forces are impossible without agile and accountable business processes that support them. With the support of this budget submission, the following are just a few of the reforms we are implementing throughout our integrated naval force to dominate the future fight, from the E-Ring to the front lines.

### **Executing the Business Operations Plan**

The President’s Budget Submission will allow us to accelerate our business process modernization across the naval enterprise through the use of advanced digital tools and technologies to substantially improve performance, speed, accuracy, and security. The DON Business Operations Plan (BOP) details the steps we are taking to transform our business operations in alignment with the NDS, with six, twelve, eighteen, and twenty-four month milestones to provide DON leadership the ability to better manage and monitor progress on the path to a more agile and accountable business enterprise. The plan provides clear direction for military and civilian leaders throughout the DON to maximize investments and effort in alignment with the NDS. It also provides greater transparency and oversight opportunities for our partners on this Committee as well as the American people.

## **Transforming the Digital Enterprise**

Information management is a core strategic function of the DoN. Cyber security, data strategy and analytics, AI, and quantum computing have all combined to create massive opportunities - as well as vulnerabilities - across our entire enterprise. A critical element of mission readiness is the ability of our personnel to have access to relevant, reliable, and secure global communications and information, at every echelon and in every domain. In FY19 we consolidated information management functions in a restructured Office of the Chief Information Officer (CIO), driving transformation and operational capability through the following lines of effort:

- Modernize DON infrastructure from its current state of fragmented, non-performant, outdated, and indefensible architectures to a unified, logical, modern infrastructure capable of delivering an information advantage.
- Innovate operational capabilities through technologies like 5th Generation (5G) wireless and AI, and accelerate software development through Digital Innovation Centers, leveraging private sector and industry best practices to fuel our digital transformation.
- Defend networks and assets through continuous active monitoring across the enterprise to increase cyber situational awareness. We will institute a security culture where a personal commitment to cybersecurity is required to gain access to the network. We will transform from a compliance-centered culture to one of constant readiness, and we will work with our industry partners to secure naval information wherever it resides.

## **Managing Finance and Operationalizing the Audit**

We have completed the second full scope financial audit of the entire DoN, revealing more opportunities to improve our financial management and business processes as well as many other aspects of our enterprise. The financial audit is the lynchpin to both monitoring and catalyzing improved business operations performance. Our senior leadership has repeatedly emphasized to all personnel that active participation in the audit process is not just a financial exercise, but a management tool that must involve the combined effort of all of our personnel in order to identify ways to improve our organization's effectiveness and accountability.

We are on track within the next two years to achieve qualified financial audit opinion for the Marine Corps, with an unqualified opinion the following year. This will make the Marine Corps the first military service in the Defense Department to receive such an opinion in the history of the United States. Achieving this for the Navy will be more challenging, but we continue to see improvements year to year. The DON has also conducted a Zero-Based Budget review designed to ensure alignment of goals and resources, achieve full value for every taxpayer dollar, and increase transparency in our resource allocation process. Finally, we have implemented Performance-to-Plan reviews that provided a fleet-focused and data-driven approach, accelerating readiness.

## **Modernizing Naval Supply Chain and Logistics**

Our integrated naval force requires unified logistics operations and secure, reliable supply chains in order to maintain the distributed, forward maneuverable force demanded by the global strategic environment. Through the audit and other reform efforts, we have identified multiple areas where our supply chain and logistics processes are disjointed and divided, with areas of poor visibility and accountability that impact our forward inventory and readiness.

These efforts have also revealed areas where greater integration between the services is needed and where our multiple supply chains require consolidation and optimization. We are developing a long-term strategy to address these deficiencies, beginning with a new modern vision for future integrated naval logistics and supply chain management, and will proceed with executing reforms consistent with this vision this year.

## **Gray Matter: Developing Our People**

We cannot solely define American seapower by ship counts and high-end systems. In the end, our core strength will always reside in the gray matter between the ears of our people as much as it does in the gray hulls out in our fleet. Recruiting, retaining, educating and caring for the best military and civilian force possible has always been and will always be our greatest edge against all competitors. We will meet this challenge through transformative investments in education, greater connections with partners and allies, a competitive human capital strategy, a recommitment to high quality housing for our naval families, and a determination to eliminate the scourge of sexual harassment and assault throughout our total force.

### **Prioritizing Learning as a Strategic Advantage**

As stated in the 2018 Education for Seapower (E4S) report, the intellectual capability of our Navy and Marine Corps team and our ability to operate as a continuous learning organization will serve as the enduring foundation of our credible deterrent to war. In the year since the E4S report was completed, we have established the office of the Chief Learning Officer (CLO) and moved quickly to introduce sweeping changes in the structure, integration, and prioritization of naval education. These changes include:

- U.S. Naval Community College - Our highest priority is to create a new United States Naval Community College (USNCC) that offers advanced, online technical and analytic education to our enlisted force in critical areas like IT, cyber, and data science. Free for every Sailor and Marine, the USNCC will fill a long-neglected gap in our educational continuum and provide a recruiting and retention incentive through degree-granting relationships with major four-year public and private universities across the nation.

- Naval Education Strategy 2020 – Our recently released Naval Education Strategy 2020 is the first ever comprehensive education strategy for our integrated naval force. The strategy will lay out a clear road map to develop a lifelong learning continuum for our entire force, reform our personnel systems to better recognize and reward the value of education, and invest in our schools and education programs.
- Strategic Education Requirement for Flag and General Officers – The opportunity to wargame future scenarios and technologies, study naval strategy and debate alongside peers is vital experience for the leaders who will guide our integrated force through the future strategic landscape. That is why we are now requiring in-residence strategic studies graduate education for promotion to Flag or General Officer rank.

### **Recruiting, Curating and Retaining the Best Talent**

This budget provides the resources to fuel a new human capital strategy to better access and curate best-in-class talent for our Navy, Marine Corps, and civilian work force. We developed this strategy leveraging leading private sector business practices designed for the new economy. Initial pilot programs in support of this strategy will begin this year. The Navy's Sailor 2025 initiative and comparable initiatives in the Marine Corps have contributed to successful recruiting and retention in what should be a very challenging market.

Through a combination of non-monetary, quality of life, and customer service programs, we are increasing our responsiveness to the needs of the individual warfighter and their family, making continued service a viable and attractive option. And we are increasing avenues for civilians with prior service through the Targeted Reentry Program, and expanding opportunities to serve in

meaningful civilian capacities. We are also increasing opportunities for our personnel to learn, operate, and innovate alongside partners in the private sector, across the joint force, and alongside our partners and allies.

### **Setting Our People Up for Success**

Through USMC Global Force Management, we will continue to field an elite Active and Reserve Marine force, maintaining a 1:2 deployment to dwell ratio while working towards a necessary 1:3 ratio to preserve constant readiness and availability of personnel while also reserving time for training, refitting and family support. This budget increases funding and training for Marine Forces Pacific in support of the Commandant's Planning Guidance and the NDS. The DON has also implemented over 100 of the recommendations from the Readiness Reform and Oversight Council (RROC) in order to maximize opportunities for our personnel to succeed. Among many other changes, we have increased opportunities for shipboard certification and skills enhancement, while adjusting manning schedules to maximize safety and improve quality of life and professional effectiveness for our personnel while underway.

### **Standing Up for Our Military Families**

Our people must be confident that their leadership will look out for their interests and advocate tirelessly for their safety and well-being. Unfortunately, as Congress correctly identified last year, we have not always lived up to that responsibility, particularly with respect to our administration and oversight of the Military Privatized Housing Initiative (MPHI) program. We are committed to making sure we assess, monitor, and remediate issues of concern quickly and effectively through active and engaged leadership and reinforced Department-level oversight to

restore the trust of our residents. Over the past year, Navy and Marine Corps leaders reached out to all of our Sailors, Marines, and their families to inquire about on-base housing concerns and offered home visits to better understand those concerns. We are also leveraging technologies such as an app for residents to report issues and track their resolution and an Electronic Data Warehouse that allows leaders at every level the opportunity to spot trends and issues quickly and effectively. This budget also provides resources for additional personnel to advocate for resident needs. In total, the Navy and Marine Corps housing programs are hiring 277 more housing management specialists, housing inspectors, quality assurance specialists, and project and business managers.

### **Combating Sexual Assault and Sexual Harassment**

We are each determined to eliminate the scourges of sexual assault and sexual harassment from every part of our force. These behaviors stand as a betrayal of those who have stepped forward to serve and of every person who wears the uniform, military and civilian. Our Sexual Assault Prevention and Response Office (SAPRO) is coordinating education, outreach, care and prevention efforts across the force. We have reached out to university presidents and other civilian education leaders through our first annual symposium held at the U.S. Naval Academy in April 2019, as well as regional discussions in New York City in September 2019 and in Albuquerque, New Mexico in early February 2020. We are examining new prevention and education efforts including a renewed focus on junior enlisted leaders and the role of alcohol in sexual assault and harassment. We will continue to work with this Committee to pursue and share the best practices and ideas, relentlessly pursuing a future where no Sailor, Marine, or civilian teammate ever has to fear for their own safety while protecting us all.

## **Building a Robust Constellation of Partners and Allies**

As extraordinary as the people of our integrated naval force are, we recognize that we cannot meet the global challenge alone. The strategic maritime defense partnerships we maintain with our partners and allies around the world extend the reach and power of our force, but more importantly they underscore the importance of cooperation and coordination in maintaining the rules-based international order that enables so much of our global prosperity and security. Our personnel regularly train and operate alongside their foreign counterparts, test the interoperability of our systems, and build our collective readiness. Operational exercises, international port calls, joint Marine force training, aviation training and other interactions all build the personal contact that generates understanding and respect across national and functional lines. Our personnel know that through their service they are front-line diplomats for our nation, promoting through their professionalism and dedication the connections that strengthen our collective security and cultivate shared ideals that send the message that the United States is a partner worth having.

## **U.S. Navy Priorities**

The President's FY21 budget request seeks nearly \$160 billion for the U.S. Navy, an investment that will continue the momentum built since the release of the National Defense Strategy (NDS). The competition articulated in the NDS will continue for the foreseeable future and demands purposeful action over a long time horizon. As a result, consistent, sustained, and predictable funding is critical to ensure that taxpayer investments already made in the Navy are fully realized. We are grateful for the predictable funding we have received in recent years.

We are proud of our intensely collaborative effort to deliver **Integrated American Naval Power** to the people we are sworn to defend. This integration will sustain the naval forces that our nation demands and our Joint Force expects. This integration will also place the United States in the best position to compete and win against the pacing threats we face.

The guiding principle of the Navy's portion of this budget request is to deliver decisive naval power, blending **readiness, lethality, and capacity** together to create a naval force that is agile and ready to fight today while also committing to the training, maintenance, and modernization to ensure the Navy can fight and win tomorrow. This budget submission materially advances the efforts that fall under these three objectives.

### **Readiness**

The CNO's initial guidance to the Navy stated, "Mission One for every Sailor is a ready Navy...a Navy ready to fight today." The Navy must be able to conduct prompt and sustained combat at sea, but current readiness also supports the indispensable roles the Navy performs on a daily

basis: securing American commerce, which is more heavily entwined with the seas than ever; telegraphing resolve; and deterring conflict. These roles are enduring and timeless, but they are also deeply connected to the priorities articulated in the NDS.

It is important to consider the historical context for this intense focus on readiness. The readiness landscape today differs significantly from twenty years ago. In 2000, the Navy had 318 battle force ships. Today, we have 293 after growing from a recent minimum of 271 battle force ships a few years ago. However, the number of deployed ships across the timespan from 2000 to today remained roughly constant. Today, we have 68 battle force ships deployed around the world. Sustaining this level requires many more than that number to deploy each year.

These demands for naval forces have led us to forward deploy a greater proportion of the force and significantly increase the length of rotational deployments. The extended deployment of the *ABRAHAM LINCOLN* is an example of this trend: her 294-day deployment was the longest for an aircraft carrier since the mid-1970s. While her extension was the best decision we could offer to support the demand for forces, it does not come without consequences. When ships, aircraft, and submarines are deployed longer, they require more maintenance to return to sea as ready as they were before. Moreover, our statistics show that this relationship is sometimes non-linear: “surge” deployments and heavier operational use can exponentially increase the time and cost required to recapitalize these valuable assets.

Our approach to implementing the NDS has already led us to guard readiness more carefully by ruthlessly prioritizing requests for forces. The growth of the Navy over the past several years has also increased the denominator in the readiness equation, relieving some pressure on the force.

Yet there is much more to do, and we are committed to finding and closing readiness gaps. The American taxpayer and the Congress have generously funded ships, submarines, and aircraft, and we owe it to the people we are sworn to protect and defend to be good stewards of those investments.

We are committed to funding readiness at the maximum executable level. PB-21 makes a strong commitment to current readiness, acknowledging the sustained effort required to mitigate the effects of decades of intensive use of our ships, aircraft, and submarines. The funding requested for individual accounts such as Ship Depot Maintenance and Aircraft Depot Maintenance have increased over FY20 enacted levels, reflecting purposeful choices about what we need to be ready today.

The Navy is already moving aggressively to ensure these funds are well spent. No reform is too small. Our relentless pursuit of reform has already paid dividends: our achievement of 80% mission-capable tactical aircraft this past year is one example. Acknowledging the challenges in depot-level maintenance and modernization, the CNO has directed Navy leaders to find the key levers of productivity that will allow us to deliver depot-level availabilities on time and in full. Although there is much to do, we are encouraged by the trends we are beginning to see. Our public shipyard workload has led us to increase hiring, increasing public shipyard end strength

by 16% from 2013. We are working aggressively to improve estimates of the length of time our platforms need to be in maintenance, level-load depot-level maintenance across our network of industrial partners, better integrate different maintenance organizations within the Navy, and utilize predictive analytics. In concert with continued discipline in guarding readiness, we believe that we can deliver our platforms in maintenance on time and in full. We are also grateful for the strong support we received from Congress in our enacted 2020 budget for a pilot program for private contractor shipyard maintenance in the Pacific, and request that this pilot continue. We value our close partnership with industry and recognize that predictability on our part will help incentivize our partners to grow, providing critical capacity to complement the work in our public shipyards.

PB-21 robustly funds ship and aircraft operations, another essential element of readiness. As previously mentioned, it provides for 58 underway days per quarter per ship and bolsters flying hours for our aircraft. This directly contributes to readiness by allowing our Sailors to train to complex, high-end naval warfare scenarios at sea and creating the maritime expertise our nation expects. While there is no replacement for operating at sea, the Navy is working rapidly to integrate Live, Virtual, and Constructive (LVC) training into the mix. LVC training allows units at all stages of force generation to maximize training for high-end warfare, and prevents the degradation of key warfighting competencies when platforms are undergoing maintenance.

This budget request also recognizes the truth that we cannot neglect our shore infrastructure in favor of future force structure or other priorities without an impact to readiness. This year's budget requests the largest amount of funds for Navy shore infrastructure in the past four years,

allowing us to create readiness at sea through increased readiness ashore. Congressional support for this request will also help the Navy meet its obligations to Sailors and their families, increasing the quality of public-private venture housing through increased oversight funded by approximately \$35 million each year of the FYDP, addressing perfluoroalkyl substances (PFAS) contamination with \$44 million requested for clean-up programs, and rebuilding Navy facilities in the wake of recent natural disasters.

Readiness at sea also depends land-based training ranges, especially for aviators and special warfare operators. These include the Navy's training center in Fallon, Nevada. Expansion of this range is critical to maintaining our readiness today as newer weapons, released from distances much greater than those of just a few years ago, require a larger safety zone around target areas. Expanding this range will allow us to send our Sailors into combat fully prepared, providing realistic training and the skills they will need to win. We are committed to work with federal, state, tribal, and local partners to do so in a way that addresses the concerns of all.

Finally, a ready Navy depends on our true asymmetric advantage: our people. PB-21 increases active-duty manning to keep our human capital synchronized with our force structure, raising our end strength by 7,300 Sailors. This reduces gaps and shortfalls at sea, directly contributing to readiness. Manning ships, aircraft, and submarines at sea remains a top priority, and we will continue to operate effectively and sustainably over time as the battle fleet grows. The budget also sustains the suite of efforts under the Sailor 2025 initiative and continues to transform our Manpower, Personnel, Training and Education (MPT&E) system to provide auditable, responsive services to our Sailors and responsibly reduce costs. It funds expanded educational

efforts to obtain warfighting advantage. Recognizing our ethical obligation to create a strong, positive environment for our Sailors, as well as the positive effect such an environment has on recruiting and retaining talent, we are committed to eliminating destructive behaviors such as sexual assault. We are focused on creating and sustaining a Culture of Excellence, where our Sailors do not merely avoid doing what is wrong, but actively pursue what is right. The Culture of Excellence program also leverages predictive analytics to intervene before destructive behaviors occur, breaking the cycle of simply responding to events.

We are witnessing very good trends in recruiting and retention. This has enabled us to fill gapped billets at sea, reducing them from 6,500 in December 2018 to 4,900 in December 2019. We met our retention goals for all zones in 2019, retaining 76% of the force. We're reforming our recruiting efforts, saving millions of dollars by processing forms for new accessions using biometric signatures. And our recruiters are exceeding their goals: 2019 saw the Navy sign the second-largest number of active-duty contracts, 40,756 new accessions, in the last 15 years. In an environment with low unemployment levels, these statistics are encouraging and demonstrate the America's young people see great value in joining the Navy team.

### **Lethality**

Deterring our competitors from malign activity requires fielding a forward-deployed, lethal naval force. Our competitors are heavily investing in technologies aimed at our naval forces. Across the Navy's Total Obligation Authority (TOA), the capability investments directly enhancing current and future lethality comprise approximately 21% of the Navy's annual budget. This investment can be further sub-divided into future capability (~11%) and modernization (~10%).

Relative to the entire Navy budget, the value proposition of our modernization investments are often overlooked when compared with resources applied to major ship and aircraft procurement accounts. Each dollar is thoughtfully applied to specific key capabilities based upon a rigorous analysis of iterative wargames, exercises, and experimentation. Offensive and defensive modernization efforts enable our ships and aircraft to operate in the face of today's advanced anti-ship and anti-aircraft systems.

In particular, we increased our investments in directed energy and hypersonic weapons. In terms of directed energy, we request to apply \$170.3 million in FY21 to our directed energy programs, which will rapidly advance our ship's defensive capabilities. In terms of hypersonics, we request to increase our investments from \$642 million in FY20 to \$1.4 billion. PB-21 continues our focus on developing long-range, offensive fires launched from ships, submarines, and aircraft, including: Conventional Prompt Strike, the Maritime Strike Tomahawk, Joint Standoff Weapon Extended Range (JSOW-ER), the Long-Range Anti-Ship Missile (LRASM), and the Standard Missile- (SM-) 6. We are moving quickly to extend the range of the carrier air wing with the rapid development of the MQ-25, the Navy's first unmanned carrier based aircraft. MQ-25 does more than extending our reach; it lays the foundation for integrating unmanned air power into our carrier fleet. The combined effects of these modernization efforts extends the lethal strike range of the CVW into denied areas while enabling the CVN to operate outside the threat ranges of adversary anti-ship missile threats.

The FY21 budget builds on the progress made in FY20 to pursue a networked fleet by investing \$82 million (\$395 million across the FYDP) in artificial intelligence and machine learning

technologies that improve decision quality and speed in combat. This networked fleet requires a resilient operational architecture to integrate our command and control, sensors, shooters, and weapons. To accomplish this, we will leverage our work on the Navy Tactical Grid to build the Joint All Domain Command and Control (JADC2) alongside our Joint teammates. Protecting our networked forces requires building cyber resilience and security into our platforms from the beginning. To meet this need, the Navy will fund \$4.17 billion across the FYDP to protect our operations, equipment, and industrial base from intrusions and ensure we have the means to fight through and recover from cyber-attacks. Meanwhile, we will integrate our cyber forces more closely with fleet operations to deliver catastrophic cyber effects as part of an integrated all-domain naval force.

These investments all support a highly maneuverable fleet that controls the high-end fight. Nuclear powered aircraft carriers remain crucial to this effort and the Carrier Strike Group remains the cornerstone of the Navy's forward presence, sea control, and power projection capabilities. The nuclear-powered aircraft carrier (CVN), associated air wing (CVW), surface combatants, and sub-surface combatants represent the most survivable and lethal maritime fighting force in the world, providing long-range kinetic and non-kinetic effects from distributed mobile platforms at sea without the need for foreign basing rights. The CVN and embarked CVW are vital to the Distributed Maritime Operations (DMO) operating concept, providing the flexibility and endurance to hold large swaths of land or sea at risk for extended periods of time. *GERALD R. FORD* (CVN 78) represents a generational leap in the aircraft carrier's capacity to project power on a global scale. *FORD*-class carriers are designed to generate a 30 percent higher sortie rate with a 20 percent smaller crew than a *NIMITZ* class carrier. This translates to

\$4 billion savings over the life of the program generating more decisive naval power. With the successful completion of CVN 78's Post Shakedown Availability and subsequent Independent Steaming Events, finishing our work and delivering this capability to the fleet as quickly and effectively as possible is one of DON's highest priorities. The Navy has learned with each test and is consistently bringing each of the innovative systems online. *FORD* is currently undergoing final air compatibility testing, bringing the entire carrier air wing onboard and progressing towards her maiden deployment. We will continue to learn, iterate and improve, driving down cost on each subsequent ship of her class. We are grateful for the Committee's support of the program with the historic two-carrier award for CVN 80 and CVN 81 and are confident that the *FORD* class will provide the foundation for highly maneuverable and lethal combat power projection well into the second half of this century.

Our naval logistics enterprise undergirds the effective employment of our forces in a dispersed, forward-deployed manner across the spectrum of conflict from daily operations into sustained major combat operations. Our logistics forces must provide forward-deployed repair and resupply as well as combat medical services to revive our forces on station. In addition, we will begin designing two new vessels, the Next Generation Medium Amphibious Ship and the Next Generation Medium Logistics Ship that will support our expeditionary forces operating in contested maritime spaces.

### **Capacity**

To increase America's naval power, we will continue to build more ships, submarines, and aircraft. There has been a long-standing consensus across the government that the Navy needs to

grow. We are focused on responsible growth, a rate of growth that ensures our ability to effectively maintain the fleet and to properly man, train, and equip that fleet.

We appreciate the strong support from Congress for naval shipbuilding, funding last year's request for 12 ships. We reaffirm our commitment to reach the 355-ship goal in a reasonable and strategically relevant timeline, and to augment a future 355-ship Navy with developmental and unmanned vessels. The pace of growth will depend on both our ability to find savings within our own topline. While this budget request slows the growth to 355 slightly to ensure we properly maintain the fleet we have, we are seeking ways to support increased rates of growth in the coming years. The challenges extend beyond the shipbuilding accounts, as we must also consider what increases in operations and maintenance accounts will be required to continue the momentum we have built in regaining readiness. We cannot, and will not build a hollow force simply to reach the 355 ship number. Because of the rate of change in technology, we will continue to refine the required number of ships in an iterative fashion, in coordination with the Secretary of Defense, and as informed by wargaming and experimentation.

The FY21 budget requests \$21 billion in ship construction for 8 battle force ships and plans to build 44 battle force ships (plus 17 unmanned ships) over the FYDP. This procurement includes one *COLUMBIA* and one *VIRGINIA* class submarine each, two *ARLEIGH BURKE* Flight III destroyer, one Guided Missile Frigate, one LPD Flight II, and two Towing, Salvage, and Rescue ships.

Deterring a nuclear attack on the homeland remains the Navy's most sacred duty and our number one acquisition priority. PB-21 fully funds the first year of construction of the lead ship of the *COLUMBIA* class ballistic missile submarine. Over the FYDP, we plan to start construction on the second ship of the class in FY24 and, beyond the FYDP, to begin serial production in FY26. The *COLUMBIA* class guarantees the most survivable leg of the nuclear triad remains on patrol into the 2080s, ensuring the secure second-strike capability that is the foundation of strategic deterrence.

This budget request also supports one additional *VIRGINIA* Class submarine in FY21, continuing the Block V multiyear contract awarded in December 2019, which will then procure two per year from FY22 through the FYDP. Additionally, the Guided Missile Frigate [FFG(X)] program is proceeding well, and will provide the fleet with a lethal small surface combatant that is optimized towards distributed maritime operations. The Navy plans to award the lead ship of the class in July 2020 and the second ship of the class in FY21.

We are committed to experimenting with unmanned systems, moving them beyond their current conceptual stage, and continuously assessing how they should be counted within the battle force. While we do not count unmanned ships at present, we will continue to procure our large unmanned surface vessel, buying 10 over the FYDP. These ships are envisioned to host both sensors and weapons. This procurement will transition to SCN funding by FY23. We will also procure 6 extra-large unmanned undersea vehicles in the FYDP which will help provide solutions for specific fleet needs.

This budget also procures 277 fixed and rotary wing aircraft (including 121 F-35C) and 25 unmanned aircraft across the FYDP. We are completing the acquisition of several type/model/series aircraft and continuing to purchase essential capabilities, such as the advanced early warning provided by the E-2D Advanced Hawkeye and a new, flexible logistics capability in the CMV-22 Osprey.

We in the Navy are honored to defend American prosperity and American values around the world every day. We are excited to be working closely with the Marine Corps to deliver Integrated American Naval Power to perform these critical and timeless roles. We are conscious that every tax dollar spent to increase readiness, lethality, and capacity represents more than buying power, but the trust and confidence of the American people. We do not take that trust lightly and will seek every means to spend those dollars in a deliberate, methodical, and responsible fashion, maximizing naval power to the fullest extent that those funds enable. Thank you for your strong support and continued partnership in providing and maintaining a Navy.

## **U.S. Marine Corps Priorities**

Mr. Chairman, Ranking Member and distinguished members of the Committee, this statement is my first report to Congress and represents my assessment of the current state of the Marine Corps and priorities for the future.

The future operating environment will place heavy demands on our Nation's Naval Services, demands that the Marine Corps is not currently organized, trained, equipped, or postured to meet. Modernizing the Marine Corps for the era of great power competition will require significant adjustments to long-term Service investments, new integrated naval warfighting organizations and concepts of employment, and better training and education for Marines; changes that only Congress can help us realize. The FY 2021 budget puts the Marine Corps on the path toward modernization, supports irreversible implementation of the National Defense Strategy (NDS), and sustains and builds our readiness to deter, fight, and win.

My top priority as Commandant is to build the Marine Corps that will define integrated American naval power in 2030, even as it must remain ready to confront the challenges of today. I seek no additional resources for this effort. It is attainable with a stable budget and sustained by the leadership and oversight of Congress. Service modernization will require several years of dedicated analysis, wargaming, and experimentation on a level that we have not experienced in recent memory. We are committed to this effort and have already begun charting a new course. The Marine Corps is grateful to the Congress for its leadership and support during previous periods of modernization and seeks its continued support today.

Before addressing the issues of force design, readiness, resourcing, and the latest FY21 budget submission, it is important that I start with a few comments on our individual Marines and the health of the Corps. I strongly believe that everything we do begins and ends with the individual Marine – the heart and soul of our institution. On any given day, the vast majority of your 225,000 Marines, representing every state and territory, serve honorably and perform their duties at home and abroad in an exemplary manner. I am extremely proud to serve alongside them, and based on my discussions with members of this committee, I know that my pride in them is shared. Regrettably, as several high profile incidents have revealed over the past several years, not all within your Marine Corps consistently adhere to our rigid standards, satisfy my expectations for professional behavior, or fulfill their obligations as Marines. Addressing the corrosive effects of misconduct and criminality by this small yet destructive minority is a top priority, and I offer the following observations:

The presence of the malignant individuals and sub-cultures within the institution produces a well-known and well-documented pattern of misogyny. A 2018 publicized report commissioned by my predecessor clearly supports these observations as facts. I have begun the process of exposing and eliminating these malignant subcultures from our ranks and will seek Congress' continued assistance to that end.

Eradicating sexual harassment and sexual assault remains a challenge across the military and the Marine Corps. I acknowledge what many of you already suspect or know – after many years of trying, and despite our best efforts and intentions, remedial actions taken to date have not caused the desired outcomes. I seek to address this problem head on.

There are some within our ranks who remain hesitant to accept gender-integrated training at our enlisted recruit depots. I would remind those Marines that the Corps has conducted gender integrated training at Officer Candidates School for more than two decades, with outstanding results. I have every reason to believe that we can replicate that model in our enlisted recruit depots, and have already begun moving forward expeditiously, with the continued support of Congress. I understand the direction and the effort the Marine Corps must take to comply with the specified timelines for both MCRD Parris Island and MCRD San Diego in the 2020 NDAA that will meet the intent of Congress and the needs of the Marine Corps.

The Marine Corps is a warfighting organization. We exist for that one purpose; to fight and to win. All that we do is standards-based in order to produce a premier expeditionary warfighting force for the Nation. In some occupational specialties within our Corps, there are legitimate operationally-derived physical requirements that every Marine must meet. Marines who meet these standards, regardless of biological sex or gender, will face no artificial barriers to their service or advancement.

Appropriately addressing all of these issues becomes even more paramount as we design a future Marine Corps that is optimized to meet the challenges of 2030 and beyond. As we consider the skills, education, and capabilities required of the next generation of Marines, we must be able to recruit and sustain a force that draws from 100% of our Nation's collective reservoir of talent, innovation, creativity, and patriotism. I take it as a personal responsibility to do everything

within my authority to ensure that the Marine Corps does not create any artificial barriers to service or advancement.

Force Design is my top priority as stated in my Commandant's Planning Guidance. Over the next three to five months, we will continue to refine and deepen the analytical depth of our initial planning through an iterative process of wargaming, analysis, and experimentation. That work will directly support the redesign of our Corps. Our collective Fleet Marine Forces, as well as our HQMC organization and many of its processes, to include the existing Planning, Programming, Budgeting, and Execution (PPBE) process, require a comprehensive overhaul to create the necessary level of naval integration across the Department. Naval integration with the CNO's Staff, with the fleets, and within the Department remains a top priority for me, the CNO, and the Secretary.

Thanks to your continued support, your Marine Corps remains the Nation's most ready force. We have made forces available for deployment to meet Combatant Commander requests around the globe, often on short notice. Those deployed Marine Units reinforce our commitment to U.S. allies and partners and serve to uphold the international rules-based order. Wherever deployed globally, your naval expeditionary forces facilitate conventional deterrence, prevent fait accompli scenarios from developing, and successfully compete against malign maritime gray zone activities to assure our allies and partners of our continued commitment. This will not change.

With your support, over the previous two years we have been able to satisfy increased global force management demands, including those made on our legacy fixed-wing aircraft squadrons.

However, we should be careful not to confuse availability with operational suitability. Readiness must be more than a mere measure of availability. True readiness, which we define as the readiness of a unit to be employed against a peer threat to achieve decisive tactical and operational outcomes, requires investment in modern capabilities commensurate with those of the threat. This will require a significant shift from our most recent FY21 budget submission. I would also respectfully submit that it may require a reassessment of our existing processes and metrics for assessing unit readiness – true readiness as described above. Within the Marine Corps, I am sustaining and reinforcing initiatives started by my predecessors that will increase the realism of pre-deployment training to more closely align with scenarios identified in the NDS. In addition, following a path that I readily acknowledge has been charted over the course of decades by the Army, we have added an extensive program of force-on-force training to our long-standing live-fire combined arms training exercise program.

With these goals in mind, over the coming months, we will make significant changes to the organization of our Training and Education Command, which will require the support and consent of civilian leadership for full implementation. Additionally, it is not lost upon me that our desert training facilities, superbly adapted as they have been to preparing for the challenges of the last three decades, are less than ideal for the kind of integrated naval training and experimentation that we need to prepare for great power competition in contested littoral environments. Identifying and developing first class littoral training areas will be one of my priorities going forward, for which I will ask your guidance and support.

Regarding this FY21 budget submission, I am well aware that our budget requests since the release of the NDS two years ago have changed only marginally year-to-year. While the cumulative impact of those marginal changes is in some cases substantial, many were budgetary actions that merely shifted funding within existing programs. This is not the kind of substantive change now needed, nor will it result in the premier naval expeditionary force required to implement the NDS and realize our evolving naval and joint concepts. In fact, our major programs of record prior to the formulation and release of the NDS – F-35, CH-53K, MV-22, ACV, and JLTV – have actually grown. As I stated in my Commandant’s Planning Guidance, these and other programs – all of which were constructed to support a long-standing but now obsolescent conception of large-scale amphibious forcible entry – require a critical review. I expect that review will likely recommend major revisions and reductions to some of our major programs. We must then reinvest those resources into capabilities more relevant to the future security and warfighting environment, many of which we are developing but have yet to procure.

This necessary divestment and subsequent reinvestment process is a complex effort, and one that prudence dictates be conducted in the most thoughtful and analytically defensible manner possible. While it may be shocking to some for a Service Chief to openly criticize existing programs and priorities, our shift to the future is in no way an indictment of previous decisions or conclusions of those who once sat at this table or of any who provided oversight in the past. The simple fact that the strategic environment has changed significantly and that we are now in an era of great power competition, mandates that we must make the necessary adjustments to our naval warfighting concepts and accompanying investment plans to create true readiness – operationally relevant and available naval forces that create overmatch over anticipated adversaries. I

understand there are both structural impediments to change as well as strong interests resisting change; however, as I stated during my confirmation – I will always provide my best military advice and ultimately defer to and support the decisions of the civilian leadership within the Department and Congress.

The timing of this FY21 budget submission coincides with an inflection point for the Marine Corps. Subsequent annual submissions will reflect that significant change in focus, and indeed I anticipate there will be opportunities even during the execution of the FY20 budget to make in-stride adjustments with the consent and support of Congress. Simply put, with peer competitors striving to supplant the role of U.S. military forces regionally and globally, we cannot afford to delay modernization when we see opportunities to make prudent adjustments from prior plans. If we are to avoid being outpaced, agility in reprogramming becomes an essential tool to apply where it makes sense to do so.

This budget also supports our assertion that Marine forces – operating as part of an integrated naval force – must seamlessly integrate into and play a complementary role within a larger joint force. Over the next few years, we must strive to reduce duplication of warfighting capabilities to only those areas that make sense tactically and operationally. Marine Corps contributions should largely be unique, complementary, and tailorabile to the joint mission.

Beyond the issues germane to my role as Commandant of the Marine Corps – to organize, train, and equip Marine Corps forces in support of the Fleets and Combatant Commanders – I offer the following observations as a senior naval officer and member of the Joint Chiefs of Staff.

Today's environment of renewed great power competition demands a truly integrated naval force; we no longer enjoy the luxuries of internal Service focus and inefficiency that the "unipolar moment" allowed. The imperative now to accelerate naval integration is driven not by historical example nor traditional bonds between our naval Services – it is driven by the global environment described in the National Security Strategy and National Defense Strategy. Our ability to operate as an integrated naval expeditionary force within contested areas provides the joint force with an asymmetric advantage, an edge that we must preserve and strengthen in this era of great power competition.

We need adequate numbers of naval platforms and surface combatants with the lethality to contribute to sea control and sea denial and appropriate defensive capabilities and sensors to operate in a distributed manner without imposing undue burdens on other platforms. Those platforms must also be affordable from both a procurement and sustainment perspective, as well as generate the kind of availability needed to meet future force generation requirements. Included in that future fleet must be adequate numbers of traditional amphibious ships as well as next generation amphibious ships that will enable the Fleet Commanders to employ the naval expeditionary force throughout a contested littoral area in a more distributed, lethal, and defensible manner.

While our aspirations and expectations are great, I am certain that Congress expects nothing less from the Marine Corps. With your continued leadership and support, we will achieve our shared

goals and modernize our warfighting capabilities and culture to best support the Navy, the Joint Force, and the Nation.

## **Closing Statement**

On behalf of our entire integrated naval force and every Sailor, Marine and civilian in the Department of the Navy, the three of us would like to once again thank the leadership and membership of this Committee for your attention, interest, and ongoing support of our men and women in uniform. We are also grateful to the Committee for the recent passage of the FY20 National Defense Authorization Act (NDAA). By passing this legislation you have enabled many of the priorities identified within this document, and you've sent a strong signal of support to our people – and a stern warning to our adversaries.

We also appreciate the funding stability and predictability of the past several years. This has given our force the agility and flexibility necessary to address emerging threats and the needs of our integrated naval force, while shifting away from less beneficial and relevant spending. This stability has saved money for the American taxpayer. We owe it to them to ensure that every single dollar is invested in the most effective manner possible to fulfill our sacred oath.

We urge the Committee to do everything possible to ensure continued funding stability so that we may implement the needed reforms and spending priorities discussed in this document to meet the great power challenge, protect the maritime commons, and stand in defense of the United States of America. On behalf of the world's finest Marines and Sailors, we thank you for your time and ongoing efforts, and we look forward to your questions.