

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

STATEMENT OF

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ON THE POSTURE OF THE UNITED STATES NAVY

BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
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Introduction

Chairman Calvert, Ranking Member McCollum, and distinguished members of the Committee, thank you for the opportunity to testify on the posture of the United States Navy. On behalf of our Sailors, Navy civilians, and families deployed and stationed around the world, thank you for your continued leadership and support. Thank you for ensuring our Navy-Marine Corps team remains ready for prompt and sustained combat incident to operations at sea as well as for recognizing in law our Navy's role in the peacetime promotion of our national security interests and prosperity. Your commitment guarantees that our Navy is postured and ready to deter aggression, defend our homeland, win decisively in war, and deliver peace through strength.

250 Years of Naval Power

The United States Navy provides our Nation with the seapower and sea control needed to preserve our way of life. The Navy's ability to access, maneuver, and command the seas that border our homeland enables our security, prosperity, and economic wealth.

For 250 years, the Navy has promoted and protected America's interests worldwide by manning, training, and equipping our forces to perform a wide range of missions on the ground, in the water, sky, and space. With a battle force of 293 ships and an average of 100 ships and 70,000 Sailors and Marines deployed on any day, the Navy provides ready, combat-credible forces to the Joint Force in competition, crisis, and conflict. Where 90% of the global economy moves by sea and 95% of international communications and 10 trillion dollars in financial transactions transit via undersea fiber-optic cables each day, our Navy keeps open the sea lines of communication which fuel our economy.

The Geopolitical Landscape & Operational Successes

Over the past year, our Navy has been on the maritime frontlines. We create space for diplomacy, but are always prepared if it fails.

Strategic Deterrence. The Navy's fleet of Ohio-class ballistic missile submarines conducted uninterrupted strategic deterrence patrols around the world. As the most survivable leg of the nuclear triad, they protect our security and provide an assured second-strike capability to adversaries who threaten our homeland, national interests, and the American people. These persistent operations underwrite national security and provide the strength, flexibility, and breadth of options that national leadership requires.

Defending the Homeland. Border security is national security. The Navy remains focused on defending our homeland and interests in the Western Hemisphere. In support of Operation SOUTHERN GUARDIAN, our naval forces are providing domain awareness and regional maritime security through operational deployments to the U.S. Northern Command (NORTHCOM) and U.S. Southern Command (SOUTHCOM) areas of responsibility (AORs).

China. While acting urgently to strengthen homeland defense, we are also laser-focused on deterring China and strengthening deterrence across the Indo-Pacific region.

Over the last twenty years, China has undergone an unprecedented military buildup, modernizing capabilities and improving proficiencies across all warfare domains. The evolving joint capabilities and concepts of the People's Liberation Army continue to strengthen China's ability to revolutionize its maritime capability to rival and contest our own. In a short time, China has tripled the size of its navy, which is expected to grow to 395 ships this year and reach 435 ships by 2030.

China continues to aggressively use its naval forces against its neighbors to assert its illegal territorial claims in the South China Sea, while at the same time the People's Liberation Army Navy increasingly operates beyond the First Island Chain. To support the PLA Navy's

expanded operational reach, China has sought an expansion in overseas logistics and basing infrastructure to enable greater military power projection and sustainment.

China's ambition and commitment to supplant the United States as the preeminent global power is clear. Recent Chinese Navy invasion rehearsals and live-fire exercises near Taiwan and around the region, joint exercises with Russia off the coast of Alaska, and snap live-fire drills during the circumnavigation of Australia illustrate a pattern of belligerent and threatening behavior to U.S. and allied interests in the Indo-Pacific. The U.S. Navy remains committed to working with allies and partners in the region and around the world to reestablish deterrence and defeat this threat. We fly, sail, and operate in accordance with international law, conduct freedom of navigation operations, and build interoperability with key allies and partners to maintain a free, open, and secure Indo-Pacific.

Middle East. The Navy remains ready to find and destroy those who threaten our Nation and our allies and partners. In the Red Sea and the eastern Mediterranean, our ships, aircraft, and submarines are in combat defending American lives and assets and protecting waterways critical to the global economy. During the past 19 months, over 20 Navy ships, including 4 carrier strike groups and an amphibious ready group, have deployed to the U.S. Central Command AOR to respond to attacks from Iran and the Iranian-backed Houthis and stabilize the region. We have carried out dozens of offensive strikes against Houthi aggressors in Yemen to prevent further attacks and successfully defeated hundreds of drones and cruise and ballistic missiles targeted against American military and commercial ships, civilian mariners, and Israel.

Empowering Allies and Partners. The Navy remains steadfast in our commitment to enhance security, stability, and deterrence with our allies in the Indo-Pacific and around the world. Through joint exercises, force posture initiatives, and cooperative sustainment efforts, we are strengthening interoperability and ensuring a collective approach to shared security challenges. By deepening these partnerships and promoting burden-sharing, we enhance collective resilience, strengthen deterrence, and ensure our forces remain postured to respond to any contingency.

The Navy has participated in 49 exercises with allies and partners in the Indo-Pacific in 2024 alone, most notably the Rim of the Pacific – the world’s largest international maritime exercise. The month-long exercise brought together 29 Nations, 40 ships, 3 submarines, and more than 25,000 personnel to build interoperability and demonstrate the importance of our allies and partners in countering Chinese expansionism.

We continue to support the Australia-United Kingdom-United States (AUKUS) enhanced security partnership. This once-in-a-generation opportunity demonstrates shared interest in strengthening peace, stability, and deterrence across the Indo-Pacific and represents a leap in integrated deterrence and undersea warfighting. Royal Australian Navy Sailors are currently serving on American submarines and in the nuclear training pipeline. Last fall, U.S. Sailors assigned to the submarine tender USS Emory S. Land (AS 39) executed planned and emergent maintenance on the USS Hawaii (SSN 776) alongside their Royal Australian Navy counterparts — the first time Australian personnel have worked on a nuclear-powered attack submarine under the auspices of AUKUS. This successful maintenance period demonstrated our clear progress towards establishing the Submarine Rotational Force – West, from which our most capable undersea strike assets will operate forward in the Indo-Pacific by 2027, imposing strategic dilemmas on China through multiple avenues.

Navy’s FY26 Strategy-Driven Budget Request

The Navy’s budget request for fiscal year (FY) 2026 funds a strong, global Navy that is postured and ready to defend our homeland, deter adversaries, and prevail in war – prioritizing China as our most consequential opponent. It is a thorough, strategy-driven budget that is focused on delivering resources to ensure our naval forces remain ready, resilient, flexible, and agile to execute national tasking and preserve peace through strength.

The FY26 budget executes our overarching strategic guidance. It fully funds the Columbia-class submarine – the Department of the Navy’s highest acquisition priority – and addresses the modernization of the nuclear architecture that underpins it. The FY26 budget allocates resources to our operations and readiness accounts that will keep our naval forces

forward, postured, and ready to defend our national interests, and prioritizes resources to fund the Submarine Industrial Base (SIB). Further, it supports the United States Marine Corps Force Design and maintains a mandated fleet of 31 amphibious ships.

However, the Fiscal Responsibility Act and realized inflation forced hard choices on the Navy. The FY26 Budget Request focuses on warfighting, lethality, and readiness for the near-term fight. It builds a deep bench of combat-ready platforms and invests in the key platforms, munitions, and sensors needed to meet our congressionally mandated peacetime mission and ensure our warfighting advantage in this decade. It delivers the quality of service our Sailors deserve.

The FY26 Budget Request focuses on achieving seven key tasks necessary for warfighting advantage in the near term. It enhances our long-term advantage by investing in key future capabilities and enablers. Recognizing our industrial constraints, the Navy endeavors to foster an adaptive, accountable, and warfighting culture; invest in the health, welfare, and training of our people; and strengthen shipbuilding and the maritime industrial base.

Binned under the Secretary of the Navy's priorities, these seven key tasks are:

Foster an Adaptive, Accountable, and Warfighting Culture

1. **Ready our platforms.** Through force readiness improvements, we will achieve and sustain an 80 percent Combat-Surge Ready posture for ships, submarines, and aircraft.
2. **Operationally integrate robotic and autonomous systems.** We will integrate proven robotic and autonomous systems for routine use by the commanders who will employ them.
3. **Fight from the Maritime Operations Center (MOC).** Prioritizing the Indo-Pacific, all fleet headquarters will have ready MOCs certified and proficient in command and control, information, intelligence, fires, movement and maneuver, protection, and sustainment.

Invest in the Health, Welfare and Training of our People

4. **Recruit and retain talent.** We will achieve 100% rating fill for the Navy active and reserve components, man our deploying units to 95% of billets authorized, and fill 100% of strategic depth mobilization billets.
5. **Deliver quality of service.** We will provide the quality of service our Sailors deserve, focusing on quality unaccompanied housing for our Sailors, quality medical and healthcare, adequate access to childcare and childcare development centers, and eliminating involuntary living aboard ships in homeport.
6. **Invest in warfighter competency.** We will have reliable, realistic, relevant, and recordable Live, Virtual, and Constructive (LVC)-enabled architectures to train Navy warfighters to successfully execute high-end warfighting in Joint and fully informed training environments.

Strengthen Shipbuilding and the Maritime Industrial Base

7. **Restore critical infrastructure.** Prioritizing the Indo-Pacific, we will assess, prioritize, and program resources to repair infrastructure directly supporting Defense Critical Assets and Task Critical Assets to enable worldwide fleet operations and force generation.

The events of the last two years in the Red Sea, the Eastern Mediterranean, and the Indo-Pacific demonstrate the enduring importance of American naval power. America's Navy is a key pillar of national power and a critical part of our Joint Force's ability to maintain peace through strength. Achieving these seven key tasks will ensure a lethal, combat-credible Navy that contributes layered effects to the Joint Force and can fight and win our Nation's wars in the maritime environment. The Navy welcomes the White House Office on Shipbuilding and Executive Order Restoring America's Maritime Dominance as well as proposed legislation and looks forward to engaging with all stakeholders – the White House, Congress, industry, and

allies and partners – to remain the world’s most combat-credible Navy. There is no time to waste.

Key Task #1: Ready our Platforms

In an era of rapidly evolving threats, the readiness of our national maritime industrial base to build ships, aircraft, and weapons is essential to maintaining a technological and strategic advantage. We are providing industry with a clear demand signal based on our procurement strategy and working with our industry partners to improve our maintenance processes.

Strategic Deterrence Investments. The Navy is prioritizing our Nation’s top defense acquisition priority and the Navy’s contributions to our strategic deterrence: the Columbia-class ballistic missile submarine, the second life extension of the Trident II D5 Ballistic Missile, and the E-130J Take Charge and Move Out aircraft.

Surface Fleet. The Surface Force remains the backbone of our Navy’s ability to visibly project power, ensure maritime security, and uphold freedom of navigation across the globe. Our Surface Fleet provides persistent presence, rapid crisis response, and deterrence alongside allies and partners.

Amphibious Fleet. The Navy is committed to maintaining a 31-ship amphibious force structure. Last year, the Navy awarded multi-ship procurement contracts for three LPDs (LPD 33-35) and one LHA (LHA10). Congressional authorization in the FY25 National Defense Authorization Act (NDAA) allows the Navy to pursue a Non-Developmental Vessel this year as the initial Medium Landing Ship Block 1 to meet the Marine Corps’ critical mobility need for Marine Littoral Regiments in U.S. Indo-Pacific Command.

Submarines. Submarines ensure maritime dominance via unparalleled stealth and strategic deterrence. Their ability to access and operate undetected in hostile environments allows for critical intelligence gathering, force projection, and the protection of national interests. The Navy has an undersea warfighting requirement for 66 attack submarines. We are well below

our requirement, with 47 currently in inventory. As of April 2025, 24 Virginia Class Submarines have been delivered and 14 are under contract. Five Columbia class submarines are in construction.

Submarine Industrial Base (SIB) Investments. The Navy is investing in our undersea warfare capability. We must send a strong signal to and increase the health of industry, build our supply chain resiliency, bolster our long-term capacity and support the AUKUS partnership, all while ensuring readiness for today. This significant investment is on top of the investment of \$3 billion from the Commonwealth of Australia, of which the first \$500 million installment was deposited into the U.S. Treasury earlier this year.

This is a national effort. The SIB, including the supply chain that supports material readiness for all submarine classes, consists of over 15,000 industry partners spread across every state in the country. The Navy will continue to partner with industry to make investments that will deliver a production cadence of 1 Columbia and 2.3 Virginia-class submarines per year to replace the aging Ohio-class submarine, achieve our required force structure of 66 SSNs, and support our AUKUS commitments.

Air Wing of the Future (AWOTF). The AWOTF will consist of multi-generation manned assets with advanced weapons and capabilities, that will conduct manned unmanned teaming with the Navy's MQ-25 Stingray and collaborative combat aircraft (CCA).

Right now, the Navy is working on the CCA initiative, which is a key component of the Next Generation Air Dominance family of systems and focuses on developing unmanned air vehicles that can operate from aircraft carriers. This effort enhances the capability of Carrier Air Wings in air superiority, anti-surface warfare, strike missions, and many missions. By adopting a modular, data-driven, and scalable approach, the CCA program will redefine naval air power. With a focus on interoperability, government-owned systems, and data-driven outcomes, we are developing an aircraft system to enhance situational awareness, lethality, and range for our 4th and 5th generation platforms in complex, contested environments.

Last year, the USS George H.W. Bush (CVN 77) completed all installation milestones and became the world's first operational unmanned carrier aviation air warfare center, while the first class of MQ-25 air vehicle pilots completed initial training at Unmanned Carrier-Launched Multi-Role Squadron Ten. The MQ-25 provides the right combination of refueling, autonomy, and seamless carrier deck integration to meet the U.S. Navy's goals.

Taken as a whole, these long-term, critical investments mean America's naval aviators will project American seapower across the globe throughout the next century.

Long Range Fires. To ensure our naval forces remain equipped with cutting-edge capabilities to counter diverse threats, the Navy is focusing on key munitions investments in long-range fires and terminal defense. Our continued investment in air, surface, and subsurface launched weapons including Tomahawk, Long Range Anti-Ship Missile, and the Standard Missile family, provides multi-mission capabilities and extends range against aerial and surface targets. The Navy is dedicated to expanding production capacity for these critical munitions by investing in factory automation, source material availability, obsolescence management, and supply chain resilience.

The Navy recognizes our dependencies on capabilities from other services to enable long-range fires, particularly in the areas of sensing, effects, and communications. As such, the Navy supports continued investment and collaboration on these to ensure a unified and effective approach.

Sealift Investments. The current strategic environment demands a naval logistics enterprise capable of assuring readiness and sustainment at speed and scale for the Joint Force. The Navy is modernizing our logistics enterprise to be more agile, resilient, and capable of sustaining combat effectiveness in contested environments against peer adversaries. To address the challenges of refueling, rearming, resupplying, repairing, and reviving inside weapons engagement zones, we are investing in new equipment for our expeditionary forces, survivable logistics over the shore systems, and new capabilities such as rearming at sea.

Military Sealift Command (MSC), with the broader maritime industry, is facing a civil service mariner (CIVMAR) manning shortfall that jeopardizes its ability to sustain peacetime logistics operations and wartime readiness. CIVMAR shortfalls have reduced MSC's ability to operate its government owned / government operated ships, which includes our combat logistics force. Consequently, MSC has implemented a Risk Reduction Plan that places 17 ships pier side, temporarily taking them out of operation to reprioritize the CIVMAR workforce onboard to higher priority operational ships. The Navy has launched a comprehensive MSC Workforce Initiative to increase CIVMAR manning and quality of life. This effort targets retention and recruitment, CIVMAR quality of life improvements, improved Human Resource policy and systems, and pay reform to bring parity with private maritime industry.

The Navy is committed to meeting Strategic Sealift mobility requirements by recapitalizing the Ready Reserve Fleet and the Maritime Prepositioning Force with a combination of used vessels and new construction vessels. To achieve this, the Navy is building a Sealift Campaign Plan to focus on a whole-of-strategic-sealift approach across the entirety of sealift prepositioned and surge assets. A key element of this plan is continued implementation of the congressionally-provided authorities to address strategic sealift readiness and recapitalization through the Buy-Used Program.

To date, the Navy has procured seven ships through the Buy-Used Program and plans to procure two in FY25 and one in FY26, which will meet the congressionally mandated limit of ten.

Readiness Investments. Our enemies will not wait for our new platforms to be delivered. We must therefore generate more available ships, submarines, and aircraft from the fleet we have today.

We are increasing the readiness of our platforms by reducing maintenance delays and embracing focused and deliberate approaches to manning, training, modernization, and sustainment. Our goal is to achieve and sustain an 80% combat-surge ready (CSR) posture by

2027. These efforts began with naval aviation in 2018, improving the operational availability of tactical aircraft. We are now scaling our efforts across all aviation platforms, as well as in the surface and submarine communities.

CSR is a certification for air, surface, and submarine platforms to execute combat missions. It is distinct from Global Force Management, which provides forces in response to Combatant Commander demand, balanced with available supply. CSR-certified units meet minimum requirements for material condition, training, manning, and armament. To increase our combat surge readiness, we are reducing the number of platforms in depot maintenance through improved business and maintenance practices, as well as certifying training earlier in the force-generation cycle. Type Commanders have been designated as the single accountable officers to ensure their respective forces achieve 80% CSR. This accountability, along with the above reforms, is driving a fleet-wide cultural shift towards aggressively prioritizing readiness.

To sustain a high operational tempo, we must maintain a robust inventory of spare parts. The Navy is shifting from a “just in time” logistics model to “just in case” – a model that ensures Sailors have the right parts on hand to keep their systems operational, lethal, and ready. The Navy’s budget for spare parts has increased by 36% since FY20. This critical funding ensures that our ships, submarines, and aircraft are prepared to respond to commander tasking or adversary action and are not sidelined by equipment casualties. The Navy appreciates Congressional support for funding to improve the parts inventories that keep our warfighting platforms operational.

80% CSR for Aviation Community.

The Aviation community is at 75% CSR (as of 07 MAY 2025).

Achieving and sustaining 80% CSR in the aviation community requires improved maintenance and training for both aircraft carriers and carrier air wings, which certify independently. The Navy has improved the number of mission capable tactical jets and is scaling

proven methods across all type/model/series of aircraft. Aircraft carrier availability remains the primary constraint for reaching 80% aviation CSR. We are increasing aircraft carrier availability through performance improvement in our public shipyards. Recent investments in our naval shipyards have focused on workforce expansion, workforce training, optimizing maintenance schedules, and implementing advanced planning and logistics management practices.

80% CSR for Surface Community.

The Surface community is at 61% CSR (as of 01 MAY 2025).

Achieving 80% CSR in the surface community is critical to our overall force readiness and our ability to control the seas. The Navy has improved significantly in surface ship depot maintenance, from 41% on-time completion in FY23 to 68% in FY24. The surface Navy concurrently reduced the maintenance backlog, the accumulated ‘debt’ of deferred maintenance, from \$2.3 billion in FY22 to \$1.9 billion in FY24. Furthermore, the Navy was able to extend the service life for 12 destroyers and 3 cruisers based on improved material condition, maintenance processes, and Life Cycle Health Assessments.

The Navy is committed to improve the material readiness of the amphibious fleet. To that end, the FY25 Shipbuilding Plan maintains the legally mandated inventory of 31 amphibious ships. In 2024, the Chief of Naval Operations and the Commandant of the Marine Corps tasked the Navy and Marine Corps to develop a comprehensive plan to improve the readiness of our amphibious warfare ships. The Navy is implementing this plan.

80% CSR for Submarine Community.

The Submarine community is at 64% CSR (as of 01 MAY 2025).

Production and maintenance delays are keeping our submarines in the shipyard and driving up costs. The Navy is working closely with all stakeholders to drive innovation and target investments where they will yield the greatest results in the shortest time. We are

improving our production and maintenance processes by embracing industry best practices such as outsourcing certain work, increasing material on hand prior to work commencing and pushing project management authority as close as possible to the worker on the shop floor.

As part of our broader investment in the maritime industrial base, the Navy is focused on improving the submarine industrial base across six lines of effort: workforce development, supplier development, shipbuilder infrastructure, strategic outsourcing, manufacturing technology, and government oversight. Since FY18, Navy has budgeted for over 725 supplier development projects with more than 300 suppliers across 33 states to add capability, capacity, and resiliency to the supply chain. The Navy has also invested in Virginia Class spare parts and has ordered contingency material to have on hand for inspection-based work. Those efforts are yielding results: Pearl Harbor Naval Shipyard completed both USS Hawaii (SSN 776) and USS Minnesota (SSN 783) availabilities on time, returning both submarines to the fleet in July 2024. Navy will continue to focus on planning and materials until this becomes the standard.

Our four public shipyards – Norfolk Naval Shipyard, Portsmouth Naval Shipyard, Puget Sound Naval Shipyard, and Pearl Harbor Naval Shipyard – are vital to our effort to achieve 80% CSR submarines. I have visited each shipyard and seen the work being done by the 37,500 engineers, tradespeople, and support personnel who serve there. The workforce of our public shipyards is committed to improving the readiness of these critical assets, and the Navy is committed to supporting their efforts through improved compensation and work environments.

At the Navy's request, DoD conducted a wage survey in the Norfolk Tidewater region to achieve pay parity between Norfolk Naval Shipyard and the surrounding private shipyards. The survey showed that in the early 1980s, new wage-grade workers earned four times the minimum wage. Now, those same workers earn approximately one and a half times the minimum wage. This effort resulted in an \$80 million wage investment in FY24, and retention has begun to improve. We must continue to invest in shipyard infrastructure, expand and enhance the SIB, increase productivity, shorten maintenance timelines, and reduce our maintenance backlog to prepare our submarine force for the threats of tomorrow and stay ahead of our competitors.

Key Task #2: Operationalize Robotic and Autonomous Systems

The Navy is taking full advantage of the innovative technology available from American industry to rapidly deliver needed capabilities to our warfighters. We are focused on prototyping, experimenting, and integrating Robotic and Autonomous Systems into the Fleet through efforts such as Replicator and in close collaboration with the Defense Innovation Unit (DIU) and the Disruptive Capabilities Office. We are leveraging established partners and new entrants in this sector. OPNAV is institutionalizing the lessons learned across the Fleet and using them to speed the capability delivery cycle.

Last year, we delivered the first 24 small, unmanned surface vessels to a newly established Unmanned Surface Vessel (USV) Squadron to jumpstart learning on how we command and control robotic platforms and integrate them into the Fleet with the stand up of USV divisions, as we enable a culture shift to rapid development and integration. Further, Defense Advanced Research Projects Agency's USX-1 Defiant completed construction in February and is currently undergoing commissioning trials. The Navy will take ownership of Defiant after her extended at-sea demonstration. Defiant will be the Navy's first Medium Unmanned Surface Vessel (MUSV) that is designed from the ground up as an unmanned ship and will operate in a fully unmanned fashion.

We recently launched the Navy's first extra-large unmanned undersea vehicle; follow-on developmental and operational testing is being conducted this year. We continue to develop and demonstrate long-duration, long-range, payload-capable unmanned underwater vehicles ready for persistent operations in dynamic maritime environments for undersea, subsea, and seabed warfare. In the air domain, we put more Triton MQ-4C aircraft on patrol, giving us operational orbits in the Indo-Pacific, Europe, and Middle East. We have also continued development of the MQ-25, which will enable CCA employment and our AWOTF, as previously mentioned. We have commenced CVN integration through in-port testing.

Key Task #3: Fight from the MOC

To stay ahead of emerging threats, we remain committed to DMO, which means dispersing the Fleet while concentrating its effects. That means distributing, integrating, and maneuvering people, platforms, munitions, and data across time, spectrum, and space. At the center of how we fight in this distributed manner is the MOC, the Navy's approach to fleet-level command and control. MOCs must act like the conductor of an orchestra – integrating with the Joint Force, allies, and partners so we can enhance our decision advantage while synchronizing distributed sensors, shooters, and effectors across an increasingly large and complex multi-domain battlespace. We are prioritizing the manning, training, and equipping of our MOCs in the Indo-Pacific before scaling to our other Fleets.

Information dominance and decision advantage are the key enablers in this new form of maneuver warfare. To ensure warfighting advantage, we must guarantee decision superiority for our warfighters. Fight from the MOC lines of effort will further expand Navy's contribution to DoD's Combined Joint All Domain Command and Control (CJADC2) initiative. Through Project Overmatch – the Navy's contribution to CJADC2 – we are fielding the connective tissue for today's Fleet, while developing and experimenting with what is needed in the MOC and our hybrid fleet. Navy investments have begun delivering software-defined networking to increase the available pathways to connect and share information, as well as containerized software applications that aid decision makers and planners in executing DMO.

Key Task #4: Recruit and Retain Talent

Our Sailors stand ready as a lethal fighting force to deter or confront any adversary. After missing our FY23 recruiting goal, we raised our goal for FY24, and exceeded that goal by contracting 40,978 future Sailors, the most since 2003. As a result of the Navy's comprehensive strategy to improve recruitment through sustainable process changes, we are on pace to exceed our FY25 recruiting goal of 40,600. This performance, coupled with improved retention, will help us advance towards our primary manning goal of 100% enlisted rating fill by the end of 2026 and will translate directly to reducing our gaps at sea.

We continually apply data-driven processes and explore innovative strategies to attract qualified, motivated individuals. The Navy is maximizing its pool of recruits with the Physical and Academic Future Sailor Preparatory Courses, as well as by expanding our reach through partnerships and traditional and mixed media marketing. Increasing access has not lowered the standard – every recruit must complete the same training at boot camp and meet all qualifications for his or her assigned rating.

The Navy is dedicated to retaining our most capable Sailors; retention is a critical component of achieving our end-strength goals. To that end, we leverage both monetary and non-monetary incentives, including Selective Reenlistment Bonuses, suspension of High Year Tenure Length of Service gates, the Retention Excellence Award and Best in Class program, and enhanced exit and milestone surveys which focus our retention efforts. As a result, enlisted retention remains healthy. We exceeded our FY24 retention benchmark forecasts in all retention zones. The Navy continues to meet or exceed its retention benchmark forecast for FY25.

While officer retention remains a challenge in specific career fields, we appreciate the continued support of Congress in enabling our monetary retention incentives in areas such as Aviation, Explosive Ordnance Disposal, Surface Warfare, Submarine Warfare, Naval Special Warfare, and Health Professions Officers. We will continue to work with the committees to solve this challenge.

Key Task #5: Deliver Quality of Service

Quality of service (QoS) improves force readiness. The Navy is investing in barracks construction and renovations to repair poor and failing unaccompanied housing (UH) facilities.

Childcare capacity and housing quality are crucial, as they contribute directly to positive work environments for our Sailors and their families. The Navy provides high-quality childcare programs but has insufficient capacity, particularly in fleet concentration areas. Improvement requires a comprehensive approach including strategic staffing, new facilities, and leverage of

community resources. From our January 31, 2025 data, enrollment in Navy childcare centers is up from 76% of total capacity at the start of FY23 to 88% today, and staffing has grown from 75% of demand at the start of FY23 to 87% today. The waitlist for Navy Child Development Centers (CDCs) has shrunk from 3,400 at the start of FY24 to 2,500 as of January 31, 2025. The Navy has also expanded the Military Child Care in Your Neighborhood program, which provides fee assistance for families that are geographically dispersed or face long waitlists for on-base care, from 6,500 spaces at the start of FY24 to over 9,000.

To improve CDC staffing, the Navy deployed 150 supplemental staff across our child and youth programs through a contract with Utah Tech University. This resource fills staffing shortfalls during peak summer and Permanent Change of Station seasons at both domestic and overseas locations. In order to attract quality candidates, the Navy also expanded the staff childcare discount for Direct Care employees. Employee use of the discount increased from 22% in FY23 before the expansion to 32% by the end of FY24.

The QoS Cross Functional Team has made significant efforts to improve Sailor QoS in the Hampton Roads area at Newport News Shipyard. Supervisor Shipbuilding Newport News has been awarded the build contract and facility design for the Carrier Refueling Overhaul Workcenter Building which will include Morale, Welfare, and Recreation spaces, private counseling areas, game room, gym and showers, meeting rooms, a Chapel, and a micro market. Construction has begun with an estimated completion date (ECD) of June 26, 2025. The Navy Bureau of Medicine and Surgery has been working on the solution for the consolidated medical support to include laboratory, pharmacy, immunizations, and X-rays in the Bank Building at Norfolk Naval Shipyard with an ECD of mid to late 2025. All four planned 24/7 Micro-Marts have been opened as of February 2025 providing Sailors better access to high quality, affordable food at all hours of the day. Finally, the ongoing parking solution has reached a way forward to include the construction of parking garage 1, UH/PPV parking and housing solution, and 37,000 square feet of programmable space for wellness and medical.

We also owe our Sailors quality housing. Too many of our barracks are in poor condition. At the end of FY23, 25% of Navy Permanent Party UH bedrooms had a Building Condition

Index of ‘poor.’ We have driven this pool down to 21% as of the end of FY24, but still have work to do. Our long-term strategy will recapitalize our facilities to eliminate ‘poor’ housing through focused investments and privatization. The Navy increased its Restoration and Modernization investments to repair inadequate UH and is conducting a comprehensive review of UH to guide future investments.

The Navy is committed to taking care of Sailors. We recognize that primary prevention is our best defense against suicide or sexual assault. In 2024, I signed the Navy Medicine Enterprise charter, codifying Navy Medicine’s central role across the Navy.

To deliver great care, we need medical warfighters. We are grateful to Congress for supporting provisions in the FY25 NDAA that increased certain health profession bonuses and authorized promotion boards to consider greater numbers of Nurse Corps officers for advancement. These measures tie into Navy Medicine’s bolstered recruiting and retention efforts, which are showing positive results.

We are proud of our success in placing active-duty mental health providers closest to the fight, with 42% of mental health providers embedded in operational units. Mental health resources are available from a wide array of sources, from installation counseling centers to global virtual health platforms. We remain committed to ensuring Sailors and their families have access to quality health care in the face of flat budgets, increasing private sector costs, and the recruitment and retention impacts of the national shortage of healthcare professionals.

Key Task #6: Invest in Warfighter Competency

To prevail in war, we must train how we will fight. Naval forces need a reliable, realistic, relevant, and recordable LVC architecture to train all warfighters, whether deployed or pier-side. More than 50% of the Fleet already possess this capability. We are focused on expanding LVC to all communities to ensure we can rehearse and operate seamlessly across all domains, echelons, and functions, including manned-unmanned teaming. In February 2025, we

successfully demonstrated initial LVC operational capability for Information Warfare from shore to ship.

To prepare our warfighters for the future fight, the Navy is prioritizing Sailor education. The Navy is committed to Naval University System wholeness, giving our midshipmen, officers, and Sailors across the Fleet every opportunity to succeed. We continue to see great results from the United States Navy Community College with over 3,500 Sailors, Marines, and Coastguardsmen currently enrolled in eight different academic programs. Additionally, through other initiatives like LVC training, Ready Relevant Learning, and the Fleet Learning Continuum, the Navy is ensuring our Sailors have the professional knowledge, skills, and training to be ready to meet and excel in its national security tasking.

The Navy's wargaming enterprise is a critical component of our analytic efforts, shaping how the Navy better understands joint and combined warfighting challenges, refines our warfighting concepts, identifies our capability and capacity gaps, and prioritizes investments to close those gaps. The Naval Contested Logistics War Game (NCLWG) series is a key component of the Navy's wargaming effort. This contested logistics campaign of learning informed investments and concepts of operation to better sustain joint and combined forces. NCLWG included direct participation from our allies Japan, the United Kingdom, Australia, and Canada. These efforts enhance interoperability, align sustainment strategies across domains, and ensure our logistics enterprise meets future operational demands. The Navy is integrating sustainment into operational games to ensure a more holistic approach to analyzing the warfighting functions.

Key Task #7: Restore Critical Infrastructure – Focusing on the INDO-PACIFIC

The Navy sustains and projects operations from its shore installations. The Navy must have a robust, strong, and effective shipbuilding industrial base, composed of shipyards, original equipment manufacturers, suppliers, ship designers, and supply chains that supports our warfighters and warfighting. We are continuing our investment in installations, shipyards, the SIB, and the weapons industrial base to ensure they are resilient and mission-ready and can

generate and sustain our warfighters and our warfighting. We are focused on infrastructure in the Indo-Pacific to ensure the Navy and Joint Force can access our installations, dry docks, and other facilities to generate and sustain ready forces for a potential conflict against China. We are targeting investment to the infrastructure that is most impactful for our warfighters, at the expense of other shore facilities.

We are also providing large investments in the health of the industrial base, providing a clear signal to industry. We are also exploring ways to invest in industry and increase shipbuilding capacity through multi-year, block buy purchases and investments in workforce development and supply chain resiliency. This requires a whole-of-government effort. In order to deliver the Navy the Nation needs, the Navy is pulling every available lever to expedite the necessary ships, aircraft, and weapons to our warfighters – by continuing to partner with industry, academia, the interagency, and allies and partners to solve our most pressing challenges and by improving our ability to maintain existing platforms.

Shipyard Infrastructure Optimization Program (SIOP) Investments. The Navy is committed to this once-in-a-generation investment in our four public shipyards. SIOP is crucial for eliminating maintenance delays of new nuclear submarines and aircraft carriers, helping to reach 80% CSR, and ensuring our carriers and submarines can leave the yards on time. SIOP has completed 44 projects across 4 shipyards, an investment of over \$1 billion. We have four dry dock construction projects currently under construction. In addition to recapitalization, SIOP optimizes physical shipyard layout for efficiency and to align construction with warfighting requirements. Notably, dry docks at Puget Sound and Pearl Harbor Naval Shipyards will be upgraded to meet seismic resiliency criteria.

An additional 48 SIOP projects worth \$6.0 billion are under contract. The Navy is taking an integrated approach to installation resiliency by emphasizing initiatives in energy-, water-, and cyber-resilience. SIOP projects improve operational efficiency and strengthen adaptability to current and emerging threats.

Installation Investments. The Navy is investing in our piers, airfields, aviation facilities, maintenance facilities, and core utilities to meet the Nation's needs. Because shore infrastructure enables global logistics, the Navy is repairing and updating critical waterfront utilities, making structural repairs to wharves and docks, and building and repairing taxiways and hangars. We are investing in our critical utility systems, upgrading water, wastewater, and electrical generation, distribution, and treatment capabilities to improve cybersecurity, resiliency, quality, and reliability and minimize risk to mission. For aviation maintenance, the Fleet Readiness Centers (FRC) Infrastructure Optimization and Modernization Program (FIOP) follows a holistic investment strategy to integrate all infrastructure and equipment investments. FIOP optimizes maintenance, manufacturing, modification, repair, and overhaul infrastructure at naval aviation depots to ensure equipment readiness and improve material availability as fast as possible. Full Congressional support for FIOP will help the Navy maintain our momentum.

The Navy is examining the feasibility of establishing new bases from which to operate in the Indo-Pacific, including in the Arctic, to diversify the Navy's Pacific posture and better position the Navy to respond to increased Russian and Chinese patrols around Alaska. We are continuing our investments in Guam, repairing and improving structures damaged by Typhoon Mawar, restoring the Guam breakwater, and supporting the fielding of the Guam Defense System.

Weapons Industrial Base (WIB) Investments. The Navy is investing in critical munitions and building on the FY23, FY24, and FY25 WIB and procurement investments. Our warships must be equipped with the right weapons and payloads for a potential fight with replenishments nearby. We are investing to expand capacity and add new suppliers across our weapons portfolio, including rocket motors, warheads, and engines. Private industry is also contributing to this expansion via direct investment. Presidential Drawdowns and unplanned combat expenditures over the past two years have strained Navy's inventories; we must increase our investments to replenish them. The Navy remains committed to working with industry to identify manufacturing challenges and investment opportunities to streamline testing and on-board non-traditional contractors. Additionally, the Navy is investing in its organic industrial base to ensure we can accelerate munitions production in the immediate future.

Red Hill. The Navy remains committed to rebuilding trust with the people of Hawaii and service members, civilians, and families affected by the Red Hill fuel leaks. Joint Task Force-Red Hill has safely removed 104.6 million gallons of fuel – over 99 percent of previously held fuel reserves. We continue to execute the Navy’s tank closure plan and associated environmental remediation. The Navy team in Hawaii continues to work alongside the U.S. Environmental Protection Agency and Hawaii Department of Health to provide water that meets all Federal and state safe drinking water standards, while transparently communicating with elected representatives, community groups, and the public.

Update on Navy’s Audit

The Navy is committed to achieving a clean audit opinion in 2028. In November 2024, I issued clear direction through NAVADMIN 225/24 to reinforce the importance of the audit to all echelons of the Navy, making it clear that the audit requires ruthless transparency to critically evaluate data and metrics to determine whether we are on track to meet our goals. It also demonstrates to the American taxpayers and Congress that we are managing the country's business and funds responsibly. While we have made progress toward this goal, the most difficult part of the journey lies ahead. We must proceed with focus and urgency, leveraging lessons learned from ourselves and other Services to improve our audit readiness and mission effectiveness. This is a whole-of-Navy task and will take a whole-of-Navy effort to achieve the clean audit.

Conclusion

The Navy continues to meet its Title 10 mission – we are organized, trained, and equipped for the peacetime promotion of the national security interests and prosperity of the United States and for prompt and sustained combat incident to operations at sea. We must achieve and sustain our readiness goals to deliver a lethal Navy capable of defending American interests around the world.

To maximize the availability of our ships, submarines, and aircraft, we will continue to improve our maintenance practices. We will continue to innovate, and to integrate innovation into today's Fleet. We will train and equip our MOCs to direct tomorrow's fight. We will continue to recruit and retain talented, dedicated Americans. We will deliver the quality of service that our Sailors and their families deserve. We will invest in our warfighters through innovative training, and we will restore our aging infrastructure.

Consistent and predictable funding is foundational to meeting our readiness objectives, and budgetary instability creates a cascade of challenges. I look forward to working with you to support our Sailors, civilians, and families. The credibility of our Nation's deterrence rests upon ready and capable ships, aircraft, and submarines. The investments we make now will shape the global maritime balance of power for the rest of this century. I could not be prouder of the Navy team that guarantees our prosperity and security, deters our adversaries, and is ready to fight and win. The Navy will continue to work alongside all stakeholders to deliver the Navy the Nation needs. On behalf of our more than 600,000 active and reserve Sailors, Navy Civilians, and Navy families, I am grateful to this committee and to your colleagues in Congress for your steadfast commitment to the United States Navy.