

[H.A.S.C. No. 115-65]

SURFACE WARFARE: AT A CROSSROADS

JOINT HEARING
BEFORE THE
SUBCOMMITTEE ON READINESS
MEETING JOINTLY WITH
SUBCOMMITTEE ON SEAPOWER AND
PROJECTION FORCES
OF THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
SECOND SESSION

HEARING HELD
JANUARY 18, 2018



U.S. GOVERNMENT PUBLISHING OFFICE

28-968

WASHINGTON : 2019

SUBCOMMITTEE ON READINESS

JOE WILSON, South Carolina, *Chairman*

ROB BISHOP, Utah	MADELEINE Z. BORDALLO, Guam
AUSTIN SCOTT, Georgia	JOE COURTNEY, Connecticut
STEVE RUSSELL, Oklahoma	TULSI GABBARD, Hawaii
MIKE ROGERS, Alabama	CAROL SHEA-PORTER, New Hampshire
VICKY HARTZLER, Missouri	A. DONALD McEACHIN, Virginia
ELISE M. STEFANIK, New York	SALUD O. CARBAJAL, California
MARTHA MCSALLY, Arizona, <i>Vice Chair</i>	ANTHONY G. BROWN, Maryland
SCOTT DESJARLAIS, Tennessee	STEPHANIE N. MURPHY, Florida
TRENT KELLY, Mississippi	RO KHANNA, California
MIKE GALLAGHER, Wisconsin	

MARGARET DEAN, *Professional Staff Member*

BRIAN GARRETT, *Professional Staff Member*

MEGAN HANDAL, *Clerk*

SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

ROBERT J. WITTMAN, Virginia, *Chairman*

K. MICHAEL CONAWAY, Texas	JOE COURTNEY, Connecticut
VICKY HARTZLER, Missouri	SUSAN A. DAVIS, California
BRADLEY BYRNE, Alabama, <i>Vice Chair</i>	JAMES R. LANGEVIN, Rhode Island
SCOTT DESJARLAIS, Tennessee	MADELEINE Z. BORDALLO, Guam
MIKE GALLAGHER, Wisconsin	JOHN GARAMENDI, California
DUNCAN HUNTER, California	DONALD NORCROSS, New Jersey
PAUL COOK, California	SETH MOULTON, Massachusetts
JIM BRIDENSTINE, Oklahoma	COLLEEN HANABUSA, Hawaii
STEPHEN KNIGHT, California	A. DONALD McEACHIN, Virginia
RALPH LEE ABRAHAM, Louisiana	

DAVID SIENICKI, *Professional Staff Member*

PHIL MACNAUGHTON, *Professional Staff Member*

MEGAN HANDAL, *Clerk*

CONTENTS

	Page
STATEMENTS PRESENTED BY MEMBERS OF CONGRESS	
Bordallo, Hon. Madeleine Z., a Delegate from Guam, Ranking Member, Subcommittee on Readiness	2
Courtney, Hon. Joe, a Representative from Connecticut, Ranking Member, Subcommittee on Seapower and Projection Forces	5
Wilson, Hon. Joe, a Representative from South Carolina, Chairman, Subcommittee on Readiness	1
Wittman, Hon. Robert J., a Representative from Virginia, Chairman, Subcommittee on Seapower and Projection Forces	3
WITNESSES	
Richardson, ADM John M., USN, Chief of Naval Operations	8
Spencer, Hon. Richard V., Secretary of the Navy	7
APPENDIX	
PREPARED STATEMENTS:	
Richardson, ADM John M.	49
Spencer, Hon. Richard V.	43
Wilson, Hon. Joe	39
Wittman, Hon. Robert J.	41
DOCUMENTS SUBMITTED FOR THE RECORD:	
[There were no Documents submitted.]	
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
[There were no Questions submitted during the hearing.]	
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:	
Ms. Hanabusa	58
Mrs. Hartzler	57
Mr. Rogers	57

SURFACE WARFARE: AT A CROSSROADS

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED SERVICES, SUBCOMMITTEE ON READINESS, MEETING JOINTLY WITH THE SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES, *Washington, DC, Thursday, January 18, 2018.*

The subcommittees met, pursuant to call, at 3:32 p.m., in room 2118, Rayburn House Office Building, Hon. Joe Wilson (chairman of the Subcommittee on Readiness) presiding.

OPENING STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. WILSON. Good afternoon. Ladies and gentlemen, I call this joint hearing of the Readiness and Seapower and Projection Forces Subcommittees of the House Armed Services Committee to order.

First, I would like to honor the 17 sailors who were lost in USS *Fitzgerald*, sailors Shingo Douglass, Noe Hernandez, Ngoc Truong Huynh, Xavier Martin, Gary Rehm, Dakota Rigsby, Carlos Victor Sibayan. And the 10 USS *John S. McCain* sailors, Kevin Bushell, Dustin Doyon, Jacob Drake, Timothy Eckels, Jr., Charles Findley, John Hoagland, Corey Ingram, Abraham Lopez, Kenneth Smith, Logan Palmer. And each one of them is so special to, I know, every person here.

Over the course of the past 6 months, our subcommittees have met with Navy leadership to understand the causal factors that have led to four gruesome and tragic incidents involving surface ships resulting in the deaths of 17 sailors. I remain confident that our Navy remains the most powerful in the world.

However, the Navy is not alone in responsibility. As Secretary James Mattis stated in August, quote, “it just creates unpredictability. It makes us rigid. We cannot deal with new and revealing threats. We know our enemies are not standing still,” end of quote.

Passing another temporary measure compounds the negative impacts for our military. Some of those impacts are highlighted by the manning, training, and certification gaps necessitated by increased operational demand. Speaker Paul Ryan and Chairman Mac Thornberry have been clear and outspoken in promoting the critical need for a robust yearlong defense appropriations bill.

I fully believe the primary responsibility of the national government is to provide for the national security of its citizens, and that is especially true of our sailors, soldiers, airmen, and Marines. Therefore, it is our responsibility as members of these subcommittees to better understand the readiness situation and how the Navy’s Strategic Readiness Review and Comprehensive Review are

informing and assisting the Department of the Navy in correcting any deficiencies and shortfalls.

This week, the Navy announced additional actions for shipboard personnel involved in these collisions. Separate from these military actions, this committee remains concerned that senior officers who created the conditions for ships to not receive depot-level repairs, the individuals who chose to repeatedly approve waivers of expired certifications, and the individuals who had the ability to balance and globally resource operational requirements are not being held accountable.

Today, the Secretary of the Navy, the Honorable Richard Spencer, and the Chief of Naval Operations, Admiral John Richardson, are here to testify to the Navy's Strategic Readiness Review and the Comprehensive Review for our hearing on "Surface Warfare: At a Crossroads."

I remain concerned about the Navy's training and certification processes, the approach to correcting any deficiencies and shortfalls, and the Navy's approach to improve accountability. I hope that today's hearing will address these concerns.

I would like now to turn to our ranking member, Congresswoman Madeleine Bordallo of Guam, for any remarks she may desire to make.

[The prepared statement of Mr. Wilson can be found in the Appendix on page 39.]

STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Ms. BORDALLO. Thank you very much, Chairman Wilson and Chairman Wittman, for convening this important joint hearing on Navy's readiness. And thank you also to Secretary Spencer and Admiral Richardson for being here today.

Following several mishaps in 2017 involving U.S. Navy ships, you each directed separate, parallel reviews of surface fleet operations and readiness. The Strategic Readiness Review and the Fleet Comprehensive Review are important steps aimed at identifying and addressing the challenges that are our Navy is facing today. However, actions speak louder than words, and we must ensure that the recommendations included in these reviews are promptly considered and acted upon to improve the readiness of the fleet and prevent a repeat of the tragedies of 2017.

Today's hearing is the first opportunity for members of this committee to discuss the recommendations of these two reviews. However, this committee's oversight of these issues will not end with today's hearings. I hope that members of this committee can continue a frank and an open dialogue with the Navy's leadership as progress is made toward implementing these reviews' recommendations.

Without question, I think my colleagues would agree that the U.S. Navy is the most powerful fleet in the world. However, in the light of recent global events and the escalation of near-peer threats around the world, we must ensure that the Navy is properly manned, trained, and equipped to conduct the missions that may be asked of them.

As highlighted by the four incidents of 2017, the high operational tempo and the lack of emphasis on ship maintenance and training have chipped away at the overall readiness of the fleet. One element of Navy readiness that I am particularly concerned about is ship maintenance, and specifically for ships operating in the Pacific. Over the past several years, we have engaged senior Navy leaders regarding the Navy's readiness requirements in the Western Pacific, specifically in depot-level ship repair and dry dock capabilities and capacity.

In the Fleet Comprehensive Review, the Navy identified capacity issues at the ship repair facility in Yokosuka, Japan. To our witnesses, I look forward today to hearing how the Navy plans to address the ship repair capacity issue in the Pacific and improve the material condition of the fleet. Furthermore, I also look forward to hearing how that plan will align with the President's 2018 National Security Strategy to maintain a forward military presence capable of deterring and, if necessary, defeating any adversary, which will be balanced with an economic strategy that rejuvenates the domestic economy.

In addition to supporting proper ship maintenance, we must also ensure our surface warfare officers and sailors are receiving adequate training to perform the missions that are asked of them. We must empower ship commanding officers to express concerns up their chain of command without facing career-ending repercussions when they are tasked with a mission that they feel their ship or crew are not properly trained for.

This is a management and a cultural issue for the Navy's leadership to address. And to that end, I look forward to hearing your plans to ensure sufficient time is allocated for training and maintenance, two pillars for restoring the Navy's surface readiness. I fear that it will be a long journey to return to proper readiness levels, but I do assure you that this committee will try to help you where we can. Similarly, we will not hesitate to raise concerns and issues with you as we perform our oversight role.

I believe the Navy is in good hands and I look forward to staying updated on the progress of your work to restore readiness across the fleet. And I look forward today, this afternoon to your testimony.

Mr. Chairman, I thank you, and I yield back.

Mr. WILSON. Thank you, Ranking Member Bordallo.

I now turn to the gentleman from Virginia and chairman of the Seapower and Projection Forces Subcommittee, Congressman Rob Wittman, for any remarks he may have.

STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. WITTMAN. Thank you, Mr. Chairman, and thank you for yielding, and I want to thank Secretary Spencer, Admiral Richardson for joining us today and for being part of what I think is a very needed and, I think, productive process to go through to make sure that we are making the necessary course changes to address this issue.

Let me begin by quoting Dr. James Holmes. He is a noted Navy War College professor, and he recently wrote an article entitled “Who Watches the Watchers in the United States Navy.” In this article, he expressed concern about the apparent lack of accountability for the structural problems in the surface warfare community. He indicated that the Navy is quick in citing senior leadership’s loss of confidence in commanding officers but is, at best, circumspect when assessing fault to the system that drove these commanding officers to seek what he calls the “normalization of deviation.” This culture of holding the commanding officer accountable is very apparent with the decision announced on Tuesday to bring the commanding officers, and other officials, from the USS *Fitzgerald* and *McCain* before an Article 32 hearing for negligent homicide.

While I agree with the Navy that officers should be held accountable, I am equally convinced that we need to reform the system that drove these officers, to avoid additional incidents and to reduce future “normalization of deviation” instances. I think the Navy has taken a tremendously important and good first step at addressing these systematic areas, but there are a multitude of other issues that need to be reviewed, to include organization reform, manning deficiencies, material readiness, and serious training reform.

While the Comprehensive Review and Strategic Readiness Review have identified the organizational problems facing the Navy, I think it is time to take bold steps in correcting the deficiencies that were identified almost 15 years ago. It is time to flatten the organization and centralize the title 10 manning, training, and equipping authorities at Fleet Forces Command. It is time to reactivate the 2nd Fleet and eliminate 4th Fleet to ensure the Navy retains an emphasis on deployment credibility. It is time that we consolidate Navy policy intellect by co-locating the three-star type commanders at Fleet Forces Command. And it is time for Congress to end restrictions that contributed to the 7th Fleet disorganization and allow the Navy to effectively reorganize.

I am particularly disappointed with the manning levels of our forward-deployed naval forces, particularly concerning the disparity between different ship classes. I do not understand why forward-deployed naval forces are the worst manned forces in the surface Navy. They need to be the best.

With regard to training, I am concerned that as our ships become more technically challenging to operate, our surface warfare community has retained a generalist preference that contributes to the surface warfare malaise. I think it is time that we adopt specialists similar to the aviation community and foreign navies.

We should require surface warfare officers to specialize in deck or engineering and allow needed junior officers time to develop basic skills. Further, the Navy should consider adopting certification milestones similar to the commercial sector. The U.S. Navy needs to significantly improve the surface warfare pipeline to ensure Navy officers are provided basic navigation and engineering skills.

Finally, as to correcting material issues, I think it is time that we start to take our INSURV [Board of Inspection and Survey]

process seriously and correct the material problems facing the forward-deployed naval forces. INSURV is a statutory-driven process that provides Congress and our Nation a snapshot of the material condition of the fleet. I am concerned that the classification of the INSURV reports fails to provide our Nation a reasonable perspective of the negative consequences associated with underfunding the readiness accounts.

Navy should be prepared to publicly articulate the risk of our surface ship maintenance. And we need to ensure that forward-deployed Navy forces are properly maintained with a competent workforce that has the capacity and skills to maintain the fleet. It is time that we routinely rotate ships back to the United States that have been forward deployed for over 20 years.

We have significant challenges that face our surface forces, but with time and resolve I am confident that we can right the surface forces that are perilously askew.

As to Dr. Holmes' question as to who watches the watchers, I want to unambiguously answer that this committee will continue to drive toward accountability and providing solutions to the systemic problems that face the surface warfare community. We will watch the watchers.

I yield back the balance of my time, Mr. Chairman.

[The prepared statement of Mr. Wittman can be found in the Appendix on page 41.]

Mr. WILSON. Thank you, Chairman Wittman. And now to the gentleman from Connecticut and ranking member of the Seapower and Projection Forces Subcommittee, Congressman Joe Courtney, for his remarks.

STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE FROM CONNECTICUT, RANKING MEMBER, SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

Mr. COURTNEY. Thank you, Mr. Chairman, and thank you to Secretary Spencer and Admiral Richardson for your presence here today to update our subcommittees and the American people on the results of your reviews of last year's Navy ship collisions.

This is the fourth engagement that we have held on topic since last fall, which is of the highest urgency, given the unacceptable level of fatalities in non-combat settings which occurred in 2017. For many members, even those who hail from districts far from the Western Pacific, these collisions strike home. In Connecticut, two outstanding sailors—electronics technician 2nd class Dustin Doyon of Suffield and sonar technician 2nd class Ngoc T Truong Huynh of Watertown, Connecticut, lost their lives. Given this drastic harm, it is the duty of all of us to ensure that bold, systemic change happens to protect our sailors and ships from similar tragedies in the future.

Last week at the Surface Navy Association annual symposium held just across the Potomac in Virginia, a panel of young officers assigned to forward-deployed ships in Japan discussed the challenges they face maintaining readiness in the 7th Fleet. They described high operational tempo, the challenge of simultaneous training and operations, and long hours. Their most powerful com-

ments, however, described a system in which they could not even be certain they understood the risks that they were taking.

One junior officer stated that, following the collisions of the *Fitzgerald* and the *McCain*, he asked himself, “I am certified for my position, but do I actually know what I am doing?” Another officer, when considering the relatively incident-free deployment he had just returned home from, asked, “Are we good at this or are we just lucky?” These anguished statements describe issues which go far beyond the particulars of any one ship. They speak to systemic problems in operations, training, and management of our surface forces.

The Comprehensive Review and Strategic Review make dozens of recommendations for changes and reforms that are needed inside the Navy. After meeting with each of you, it is clear that many of these recommendations have been or are in the process of being implemented internally in real time. I urge you to continue to make the implementation of these recommendations a top priority and to keep Congress and families of our lost sailors updated on your progress.

Other recommendations, however, will need Congress’s direct attention and action. For example, one of the areas where both reviews agree is that Congress has contributed to these systemic readiness issues in the surface forces. Specifically, recent defense appropriations bills have carried language which restricts the Navy from realigning its man, train, and equip functions under a single command.

These congressionally mandated command-and-control restrictions have allowed an unusual situation to continue in which Pacific Fleet, which is responsible for both deploying forces and determining when those forces are ready to deploy, and to do so separate from the rest of the fleet. As the result of your respective reviews—and as they have made clear, this arrangement allowed ships to be deployed without basic certifications and without meaningful plans to mitigate the risk to our sailors.

While there is disagreement in the Comprehensive Review and Strategic Review about the best actual command-and-control structure for Navy surface forces, it is clear that continued congressional limitation in this area is a hindrance to the management and readiness of the fleet. Even before these recent collisions, Congress had seriously considered changes to this restrictive language. In 2016, the House voted unanimously to remove the provision completely, but it was later restored by the Senate in the 2016 NDAA [National Defense Authorization Act] and appropriations bill. It is my hope that we can once again work on a bipartisan basis to remove these restrictions from our funding bills and to see these efforts through to the end. Your input here today will be invaluable in that effort.

The other obvious mission Congress can execute is to restore budget stability for the Navy. We need repair work to move forward in a timely manner. We need to increase the supply of combat-ready ships available to Fleet Forces Command rather than letting shipbuilding plans languish because of CRs [continuing resolutions]. The Federal Government has operated under CRs in 8 of the last 12 months, and it appears this week that that number is likely

to grow to 9 out of 13. This is hardly the roadmap to a 355-ship Navy.

I think I speak for my colleagues in saying that we stand ready to assist our witnesses today to create bold new institutional change. We owe it the memory of the sailors we have lost, we owe it to their families, and we owe it to those forward-deployed sailors who are asking themselves today, "Am I just lucky?" I look forward to your testimony.

Mr. WILSON. Thank you, Ranking Member Courtney.

We are grateful that Congresswoman Liz Cheney of Wyoming is present with us today. I ask unanimous consent that non-subcommittee members be allowed to participate in today's briefing after all subcommittee members have had an opportunity to ask questions. Is there any objection? Hearing none, without objection, the non-subcommittee members will be recognized at the appropriate time for 5 minutes.

Secretary Richard Spencer, we now turn to you for your remarks and briefing on the incidents.

STATEMENT OF HON. RICHARD V. SPENCER, SECRETARY OF THE NAVY

Secretary SPENCER. Chairman Wittman and Wilson, Ranking Member Courtney and Bordallo, distinguished members of the committee, thank you for having us here today to talk about our reviews and how we are moving forward.

I would be remiss, though, if I didn't start by saying that we should keep the sailors lost on *McCain* and *Fitzgerald* in our thoughts and prayers as we go forward.

Over the past year, our surface fleet has continued to operate and train around the globe, filling a strong demand signal to help preserve our national security. At the same time, however, those operations have led to some tragic losses. Those losses demand that we take time to study, understand, make course corrections to ensure the safety of our most valuable resource, which is people.

As you are well aware, we lost 20 sailors in major incidents in the Pacific last year. The loss of any sailor is a tragedy. All of us in the Department of the Navy stand in solidarity and support of our fellow sailors and families.

I am here today as the responsible one and accountable for our most valuable resources. To fulfill these responsibilities, I am directing change across the fleet and Marine Corps to correct the issues identified in our analysis of those intolerable events. Both the Comprehensive and Strategic Readiness Reviews sought to identify factors that led to last year's accidents. The Comprehensive Review focused on the causal factors and underlying conditions at the tactical and operational levels, while the Strategic Readiness Review examined broader systemic and root causes.

The Strategic Readiness Review found that the discovered deficiencies were not traceable to any single policy or decision, but were cumulative results of decisions aimed at achieving short-term goals. Overall, the review team found that accepting deviations from our standards, which translates into higher risks, had gradually become normalized, and therefore compounding accumulated risks. This must and will be corrected.

As we move forward, success will not be attained overnight. My leadership team and I are working closely with the Navy-Marine Corps team to examine, adopt, and implement recommendations from these reviews. The CNO [Chief of Naval Operations] will address remedial actions we have taken to restore us to an environment of safety and sustainability. Simultaneously, we are working through implementation plans for all of the reviews—the Strategic Readiness Review’s recommendations.

As we do so, we are addressing issues that fit into five categories—command and control, operations, manning and training, governance, and culture and learning. Many of the reviews’ recommended corrective actions are within my authority to implement as Secretary of the Navy. Some, however, will require coordination with the Office of the Secretary of Defense, as well as with you, the Congress.

The most important step that you could take now that would help us restore the health of the Navy is to give us stable and adequate funding. We must be able to count on reliable resourcing to operate safely and efficiently. Despite these challenges, I want to assure you—I want to assure you—that the Navy-Marine Corps team is still the most ready, capable, and lethal force in our arsenal.

We know, however, that staying that way means we must seize every opportunity to improve, and we are committed to do so. We stand with the families of the fallen and their loved ones. Their repeated request that good must come out of these cathartic events rings true throughout our enterprise on a daily basis. We must act with a sense of urgency to grow our competitive advantage in a sustainable manner, and I look forward to working with you to do so.

Thank you.

[The prepared statement of Secretary Spencer can be found in the Appendix on page 43.]

Mr. WILSON. Thank you very much, Secretary. And we now turn to Admiral John Richardson for your opening remarks.

STATEMENT OF ADM JOHN M. RICHARDSON, USN, CHIEF OF NAVAL OPERATIONS

Admiral RICHARDSON. Thank you, Chairman Wilson, Chairman Wittman, Ranking Members Bordallo and Courtney, and distinguished members of the Readiness and Seapower Subcommittees. I want to thank you for the opportunity to brief you today on our unified action plan to address the systemic issues identified in both the Comprehensive Review and Secretary Spencer’s Strategic Readiness Review [SRR].

Looking back, 2017 was a year of both triumph and tragedy for our Navy. We consistently forward deployed more than 60,000 sailors and 95 ships and submarines around the globe to protect America from attack, advance our Nation’s interests, and enhance our economic prosperity and strategic influence. But even as we achieve these successes, we were reminded of the unforgiving nature of operating at sea. Our Navy experienced five serious incidents in the Pacific, resulting in a loss of 20 dedicated sailors,

American patriots all, and our thoughts and prayers remain with our fallen shipmates and their families.

And as we have said, our investigations revealed that these tragedies were due in large part to human error and failures of leadership as we took our eye off mastering the basics in seamanship and navigation. And we owe it to our fallen sailors, our Active Duty sailors, and our loved ones who support us to quickly and forcefully apply these lessons learned through corrective action, and that is exactly what we are doing.

I testified before this committee in November on the findings of the Comprehensive Review led by Admiral Phil Davidson, commander of the U.S. Fleet Forces Command. As I outlined in my written statement, we have already acted on many of the report's 58 recommendations. Additionally, I established an oversight board, chaired by the Vice Chief of Naval Operations Admiral Bill Moran, to track the completion of those actions that remain in progress, things like command and control, surface warfare officer career paths, training, equipment, and certifications.

Finally, as the Chief of Naval Operations, I am responsible for crushing any obstacles that prevent our sailors from achieving war-fighting and safe operating at sea. So to get a deckplate perspective on our progress, in December I visited our naval forces in Korea, Japan, Bahrain, and the USS *Theodore Roosevelt* Carrier Strike Group on station in the Persian Gulf. And through my interactions with thousands of our sailors, it is clear to me that these incidents do not—repeat, do not—define your Navy.

It would be a grave, even lethal mistake to underestimate our capability and dedication. And it was also clear that our corrective action are already having a positive impact. But there is more work to do, and we will get it done, and we will get it done briskly, learning from our mistakes, capturing our successes, sharing those insights across the force, and improving upon our best every day, and we will do so, as the Secretary said, with a sense of urgency. By dedicating our hearts and minds, we will finish 2018 as the safest Navy in the world for our sailors, the favored partner in the world for our friends and allies, and the most lethal Navy in the world for our enemies.

But before I close, I can't in good conscience testify before Congress about naval power without mentioning the toxic and corrosive effect of 9 years of continuing resolutions and years under the Budget Control Act. We are getting after the work we have to do, but the absence of stable and adequate funding for defense makes everything, everything that our sailors and their commanders do, harder. On a scale of 1 to 10, the importance of stable and adequate funding scores an 11.

On behalf of our sailors, their families, and our Navy civilians, I thank the Congress and especially these subcommittees for your continued support in providing us the Navy our Nation needs. And I look forward to working with you and answering your questions.

With that, I would like to pass it back to the Secretary.

[The prepared statement of Admiral Richardson can be found in Appendix on page 49.]

Secretary SPENCER. Thank you, CNO. Mr. Chairman, I took—you have taken a brief on the Comprehensive Review behind closed

doors, and I know I met with a couple of you on the committee to explain the SRR. Would it be worthwhile for me to just do a 2- or 3-minute overview on the Strategic Review?

Mr. WILSON. I think it would be very helpful, yes. Please proceed.

Secretary SPENCER. Thank you. After the accident occurred, the CNO and I both decided to take the path that we took, which was to immediately set up a review of the tactical and operational areas where we had to investigate due to these accidents. I took it upon myself to say, okay, let's go a little higher at 30,000 feet and see if we can go after the systemic and root causes.

We engaged Michael Bayer, who is actually here today, former chairman of the Defense Business Board, and Admiral Gary Roughead, the chair of the Strategic Review. They went back and looked at 30 years of data to assess our present state of play and really look at systemic issues that are affecting us.

We looked outside. We had them look outside to industry, and this is kind of an interesting point that I would like to present to those that didn't hear the brief. We incorporated people such as Crowley Marine. You might call that fairly obvious. They sail on the seas, also. They had a series of events that were unproductive for them, and they turned inside and re-examined how they did work and they came out the other side as a poster child, according to the Merchant Marine Academy, of an organization that upholds safety.

We talked to Maersk, which also had some events happen to it that were cathartic, and they actually went through the same path and came out the other side. Boeing, in their industrial floors, increasing their capacity to produce, found that they were also running into areas where they were hurting their human resources, and they put a plan in place and came out the other side.

BP North America, needless to say, we all knew the Deepwater Horizon event. They also went through the same. What is the common link here? It is organizations that had cathartic event that threatened them. We called them up, their CEOs [chief executive officers], and asked if they would help us in our analysis on the Strategic Readiness Review, and they were more than forthcoming to us and to all the assets we needed, including all the plans that came out on the other side. Didn't need the plans. Wanted to speak to the people who went on the journey from cathartic event to the development of the plans. We wanted to see how they got to where they got.

One of the other people that we incorporated, which was quite interesting, was the Mayo Clinic. And you might say, how can you connect the Mayo Clinic to sailing on the blue waters? It is interesting. They had been doing some studies over the past 3 years, and we contacted John Noseworthy, the CEO of Mayo Clinic. They looked at large—I beg your pardon—long-term complex operations in the operating room, and they wanted to improve the outcomes. Think organ transplant. Think very complex operations, 7, 8 hours. The traditional mindset and operating environment was chief surgeon would raise his or her scalpel and go, "Is everyone ready? Here we go," put the head down, and start working along the way.

The professional teams in the room—the cardiac, the pulmonologist, the cardiac analysis, the anesthesiologist—were all working

along one step behind or if, in fact, equal at best. They found that there was not a door open to turn around and say, "Need a minute here, we are falling behind. Need to double set something."

They decompressed and decomposed the whole culture of the operating room and basically reset it, where the lead surgeon would lift up his or her knife and go, "Is everybody with me? We are ready." And then every 1 or 2 minutes, sit there and go, "Are we still all together?" The environment for communication as the mission went forward was wide open. We saw a direct applicability to the bridge of a ship, the engineering department of a ship, and we incorporated that into the study.

Twenty-three recommendations, ranging from command and control to culture to modeling, came forth. We are in the process now of actually triaging those recommendations. We have had our first meeting to date which we addressed command and control. We can go into that a little bit later. But we are moving out on that as the CNO has moved out with his CR [Comprehensive Review].

I just wanted to give you all an overview as to what we actually did in the Strategic Review and the outcomes. And I appreciate it. Thank you.

Mr. WILSON. Thank you very much, Mr. Secretary. As we proceed, we will be under a 5-minute rule so that we have as much opportunity as we can for each of the subcommittee members who are here. And this will be maintained by our professional staff member, Margaret Dean, who herself is a very valued member of the Navy Reserve.

The first question and, of course, the timing begins on me, and that is the—for each of you, the forward-deployed naval forces have critical operational demands that took the USS *Fitzgerald* and USS *John S. McCain* away from dedicated maintenance, training, and certification periods. Which steps has the Navy taken to ensure that this is not continuing to occur with the remaining forward-deployed naval forces? Is the Navy reviewing current sourcing requirements? Additionally, has the Navy coordinated with the combatant commanders [COCOMs] to validate or review current mandatory sourcing requirements? How is the Navy leadership communicating an inability to resource or risk associated with resourcing the COCOM requirements? And for each of you.

Admiral RICHARDSON. Sir, I will begin on this. The simple answer is that the—particularly the forward-deployed naval forces in Japan have taken a look at the force generation process, the process by which they maintain and train and certify forces for the missions to which they are assigned. And so we started by rebaselining every cruiser and destroyer that is in the forward-deployed naval force of Japan, and so that, first and foremost, every ship that is underway right now has been assessed to be ready for those missions.

And then it is a matter of just sticking to that plan so that we do provide sufficient time to maintain the ships, when they get out there is a sufficient time and attention given to training and certifying those ships before they get assigned to their missions. And so just that scheduled discipline has been established and enforced by Admiral Sawyer, the new commander of the 7th Fleet.

With respect to meeting combatant commander demand, sir, as you are very well aware, we have not been close as a joint force meeting combatant commander demands for a decade. We traditionally meet about 50 percent of the requested forces, and that is not just the Navy. That is across the joint force. So there is a constant adjudication that goes on to find the priority missions, and we are doing that mindful that the forces have to be trained and certified before they go.

Secretary SPENCER. My only addition to that, Mr. Chairman, would be think of the Mayo Clinic example I just brought up right now. The CNO and I are in lockstep when it comes to man, train, equip, that we have an atmosphere that people can speak up. And I don't use the word no. I use the phrase not today. It might be ready tomorrow, it might be ready in a week, but is upon us to have that—instill that environment within our organization to make it that much of a more reactive and effective organization.

Admiral RICHARDSON. Sir, if I could just pile off of this, as long as we are talking about this, those conversations have happened, happened today and have happened, right? This is not a Navy where there is a cultural inhibition to having that happen. And those officers have gone on to have fruitful careers and promotions and everything else. So these types of conversations happen in our Navy right now, have been happening for some time, so it is possible to have this without career implications.

Mr. WILSON. Additionally, investigation documents indicate that the shipboard, squadron, and fleet leadership were properly reporting on training and material deficiencies in requesting relief, yet these individuals were fired. How is the surface warfare Navy addressing the culture of accountability and empowering commanders to highlight deficiencies and properly inform the chain of command of risks associated with these decisions without facing punitive action?

Admiral RICHARDSON. Sir, I will tell you, this goes right to what it means to be in command. And so when personnel were held accountable—and that went up to the 7th Fleet commander, so this was not restricted to the unit level—and this level of accountability, frankly, hasn't been—at that senior level has not really occurred since World War II, and so in terms of watching the watchers, we are with you on that.

The accountability actions addressed those things for which those commanders were—they had complete ownership. They had the responsibility, accountability, and authority to act to avoid the series of decisions that resulted in either a collision or an assignment of a ship that wasn't ready to do its mission. And so each one of those was appreciated on its individual merit, and I strongly believe that the accountability measures were appropriate.

Mr. WILSON. And these are being monitored still, the deficiencies in the requests made?

Admiral RICHARDSON. Yes, sir, it is part of a constant dialogue there, particularly with the 7th Fleet—the new 7th Fleet leadership in place.

Mr. WILSON. Thank you. We now proceed to Ranking Member Bordallo of Guam.

Ms. BORDALLO. Mr. Secretary, I strongly support the national strategy's intent to keep our forces forward deployed. In the Navy's two reviews, as well as previous discussions I have had with Navy leadership, concerns have been raised about the gaps in the capability and the capacity to support ship repair requirements in the Western Pacific. As I mentioned in my opening statement, the Comprehensive Review specifically identifies this as a real challenge for SRF [Ship Repair Facility] Yokosuka, Japan.

So with that concern in mind, can you please discuss what additional options are being considered to meet ship maintenance requirements for Navy ships operating in the Western Pacific? Whether we are discussing peacetime or a potential contingency, it seems to me that a ship repair facility on sovereign U.S. soil in the Western Pacific—and we all know where that is—would be capable of supporting depot-level maintenance, and this would be an ideal solution to meet ship maintenance requirements while keeping them forward in the region. So what options, Mr. Secretary, are you discussing to meet these needs?

Secretary SPENCER. Congresswoman Bordallo, thank you. We are looking at all options at all times. You and I met earlier, I think last week. The fact of the matter is, if, in fact, we pass the continuing resolution and hopefully get to a budget, the numbers that we have going into 2018 are going to support some healthy additions to ship maintenance. At all times, we are going to look at the business opportunities available, the best deal for the American taxpayer. If you look at the Western Pacific and you look at how we go about repairing, we do have Japan, we do have dockside, robust dockside abilities in Guam. We have Hawaii, and then we move to the West Coast for big, deep-dive maintenance availabilities.

We will on an ongoing basis look for any and all capabilities as we go forward, because we are going to be using them, if, in fact, we receive the funding to do so.

Ms. BORDALLO. Well, thank you, Mr. Secretary, and I appreciate your comments during this hearing and your leadership in ensuring adequate ship repair capabilities, especially in the Pacific, necessary to maintain the fleet and keep it forward deployed.

I also appreciate our meeting last week, as you mentioned, and your commitment to working with me as you review options for ship repair in the Western Pacific that makes strategic and operational sense. I hope that we can continue our positive dialogue and work on a solution that supports American jobs and our readiness in the region.

And I have a second question for you, also, Mr. Secretary. Or, no, this one is for Admiral Richardson. It is my understanding that forward-deployed naval forces [FDNF] had critical operational demands that took the USS *Fitzgerald* and the USS *John S. McCain* away from dedicated maintenance, training, and certification periods. Now, can you please describe steps that the Navy has taken to ensure that this is not continuing to occur with the remaining FDNF ships? In other words, how are we ensuring FDNF ships receive the necessary maintenance and training to set their crews up for success?

Admiral RICHARDSON. Yes, ma'am. The establishment of that force generation model in Japan—the fact that we are doing rigorous scheduling, not only for maintenance, but also to schedule training and certification events—enforced by the fleet commander before they are assigned to missions, that is essentially the—our side—the supply side of the supply-demand tension.

And so that—adhering to that in a rigorous way is really the way that we guarantee that. And then as we look through the command-and-control structure, in a comprehensive way with both the CR and the Strategic Review, establishing sort of an advocate for training and certification out there will be part of that.

Ms. BORDALLO. And, Admiral, you can assure that this is occurring right as we speak?

Admiral RICHARDSON. It is. Yes, ma'am.

Ms. BORDALLO. Thank you. And I yield back, Mr. Chairman.

Mr. WILSON. And thank you, Congresswoman Bordallo. And myself having toured the Guam Naval Shipyard, I share your appreciation of the assets there.

We now proceed to Chairman Rob Wittman of Virginia.

Mr. WITTMAN. Thank you, Mr. Chairman. Gentlemen, thanks again for joining us today.

I think you will agree with me in that we need to make sure that our junior surface Navy officers need time to excel in their trades. Today, though, in the Navy, if you look at our surface warfare officers, we see a path for them to be generalists, not one that allows them to be specialists, allows them to really get down into that specific area of skill that they need across all these different areas of ship operations that have become increasingly more complex.

We see the aviation community that looks into creating those specialists. We see foreign navies doing the same thing. We are in this increasingly complex and technologically challenging environment. Specialties are things that are encouraged.

Is it time for the Navy to adopt best practices for deck and engineering specialists development within our junior officer corps within the Navy?

Admiral RICHARDSON. Sir, as you can appreciate, that model, which is largely used by the Royal Navy, is always on the table and being assessed and considered. I look forward to having a more robust conversation with you about some of these. The gives and takes are complicated.

But in terms of the approach that the U.S. Navy has taken throughout its history, we have seen that—to your point, providing adequate time to learn the trade of being the officer of the deck and driving a U.S. warship, it requires time and rigor in that training cycle. And there is also value to understanding the engineering department and the rest of the ship, as well. And so there is always a balance there. I look forward to discussing that with you more.

Mr. WITTMAN. Great. And that is a great lead-in to the next question. And that is, as our junior officers come to the fleet, as that new ensign comes to the fleet, and they are faced with standing that watch, with being the junior officer on the deck and increasingly more complex responsibilities there, the question always becomes, when they come to the fleet, what experience do they come with? Do they have time at sea experience?

I know my son, who is a merchant mariner, has spent years and years and years, thousands of hours of sea time and many, many courses, to actually get a certification so that he can captain a ship at sea. The question then becomes, should we have the same component for those young ensigns that are put aboard a grey hull and the experience that they have. Should they not maybe spend a year at sea?

I understand you can't go there immediately, but should they not maybe spend a year at sea and get their third mate's license so that when they get to the fleet, they are extraordinarily well versed and experienced with that?

Admiral RICHARDSON. Yes, sir, again, I think we have to really spend a long time on problem definition with respect to this career path. As you can appreciate, driving a complex U.S. Navy warship is much more complicated than driving a merchant ship. But again, I think we are in violent agreement that that training and career path needs some adjustment, some rugged enhancements. Those have all been part of the recommendations in the Comprehensive Review and the Strategic Review is in agreement with that. And so I think that moving through those recommendations, as proposed right now, will get at your concerns, which I share.

Mr. WITTMAN. Very good. One other additional element, too, as we look at forward-deployed naval forces, and we look at the Navy's directive to say those ships should return back stateside every 7 to 10 years for the deep-dive maintenance to make sure that their material readiness is where it needs to be—because these are the ships, tip of the spear, they get pushed the hardest, they are out there, you know, really on point constantly—do you believe that situation like we had with the *McCain*, where it has been there for 20 years without coming back stateside—and listen, I understand the things that go on at Yokosuka. But there is a limited capability in really the deep-dive maintenance that is being done there.

Do you think that the maintenance cycles of FDNF ships coming back stateside should be looked at and getting back to a 7- to 10-year cycle?

Admiral RICHARDSON. Sir, we already did that. Even before these incidents, we had already made the decision to return to that cycle, and so I could give you the specific schedule of those FDNF ships that will be returning stateside, and that rotation—it is a bit classified, but I will give it to you in the appropriate setting. So we have already decided that trying to do all the maintenance in forward-deployed naval forces in Yokosuka or Sasebo, it is not a long-term solution. So we will be bringing those ships back. Our goal is to get to an 8-year cycle.

Mr. WITTMAN. Very good. Thank you, Mr. Chairman. I yield back.

Mr. WILSON. And thank you, Chairman Wittman. We now proceed to Ranking Member Joe Courtney of Connecticut.

Mr. COURTNEY. Thank you, Mr. Chairman. Secretary Spencer, [inaudible] as not optimal—did you hear that?

Secretary SPENCER. I believe I did.

Mr. COURTNEY [continuing]. Which did not hear as optimal and contributed to the readiness issues in the 7th Fleet. Why are you

seeking to change that structure? And why do you need Congress's help?

Secretary SPENCER. Congressman, we just had our first—I call it a solarium, where we brought together both our four-stars, some three-stars, some gray beards, and sit down and looked at the wiring diagram for command and control in the Navy, specifically the Pacific Fleet and the European theater.

We had two goals in mind in this first meeting, was to basically assess what we had, guide ourselves by our goal should be that the commander of a ship should have a clear line to know what he or she is reporting to and whom she or he is reporting to. We should also have a clear line of sight from command on down as to where responsibilities lie.

When we look at the chart, we have not come to final conclusions yet, but we are in an iterative process which will have our first step forthcoming soon. We wanted to clean up exactly what you were talking about, which is the ability for us to act in the most efficient manner possible with the most direct lines of communication.

Mr. COURTNEY. And why do you need Congress to help you with that?

Secretary SPENCER. Well, we have—in the case of the Pacific Fleet, we had an issue that I believe is going to be ameliorated if, in fact, we do away with what used to be known as the Inouye amendment. And again, we have a clear direct command and control as to what the line-of-sight is for responsibility and efficiency.

Mr. COURTNEY. Thank you. And again, just for the—to be clear, that amendment is not really—well, that amendment actually intrudes by Congress in terms of how the command-and-control structure is designed. If that amendment was removed, we actually step back, Congress steps back from this issue and really allows the Navy to then move forward with a more optimal arrangement, which I think, again, both reports really identified that as a way to move forward and to help untangle the conflicts. Is that correct?

Secretary SPENCER. We are in agreement, yes.

Mr. COURTNEY. And, Admiral, would you agree with that?

Admiral RICHARDSON. Sir, I would. To me, it is all about standards. And the way that this amendment is structured, it allows really two standards to emerge. And we need to have one single standard of excellence for our Navy for these matters.

Mr. COURTNEY. Great, thank you. Admiral, the Government Accountability Office reviewed the certifications for the ships involved in the 2017 mishaps and found that many had expired and remained expired for months or years. The *McCain* had 7 of 22 certifications expired, some for more than 2 years. The *Fitzgerald* had 15 of 22 certifications expired, including a basic seamanship certification, which had been expired for nearly a year.

Admiral, what is your plan to bring these ships back into compliance with their basic certification requirements? And I know that you canceled all existing risk mitigation plans and required ships to resubmit more comprehensive plans at a higher command than before. What is the status of developing and improving these new plans? And how are the forward-deployed ships treating these risks differently than before?

Admiral RICHARDSON. Well, sir, the immediate actions are complete, which was to re-baseline all ships except for those in deep maintenance in Yokosuka. And so those ready for sea assessments have been done on all cruisers and destroyers in the forward-deployed naval forces in Japan. That includes the certification for every ship that is underway assigned to a mission to be certified to do those missions, and that is being done at the 7th Fleet command level.

And then there is sort of the longer term plan to go through sort of a longer, more detailed, holistic certification for each of these ships, and that is being done in a priority basis, as well.

Mr. COURTNEY. So what we had before was a device, a risk mitigation plan which really sort of lost its meaning, because of, again, just the repeated—go ahead.

Admiral RICHARDSON. Yes, sir, this is the exact definition of normalization of deviance, is that what started from a risk mitigation, hey, we know you can't get this done, but here are the mitigating measures we will take, we will maybe put this expertise onboard and we will re-schedule that, that devolved down to really almost a rubber stamp, clearly articulated in Admiral Davidson's Comprehensive Review.

And so part of this matter that we talked about with respect to the Inouye amendment is having that advocate for force generation and the training and certification standards that can really—you know, whose sole function is to maintain those standards, that installs a firebreak, if you will, from allowing this degradation to happen again.

Mr. WILSON. And thank you, Congressman Courtney. We now proceed to Congressman Duncan Hunter of California.

Mr. HUNTER. Thank you, Mr. Chairman. I am going to tie in with what Chairman Wittman's kind of line of questioning was, and it is specific, because in San Diego we had the LCS [littoral combat ship] there in the beginning. And I went on—it was like 6 years ago or so, I went to the LCS simulator, if you will, right there by 32nd Street, and it is the bridge of an LCS, and it is a virtual environment. You can walk around on it. You can see all the way around. I think it moves even. The water looks like it moves. It is a fairly realistic set-up, and it is cheap, because it is not a real boat that is underway.

I have also seen the LCS courseware, where it is game-based learning. I think it is immersive virtual ship environment learning, as well. I think you use it for like the engine plans and one of the LCSes. I don't remember which one. But it works. It works. It is game-based learning. It is new. All the kids do it. They know how to play an Xbox. They know how to do this.

So specifically then, in light of the value of the LCS training program, how do you plan on leveraging that type of thing where you don't have to go out for a year at sea, you can spend 3 weeks on the bridge of a ship, like the one you are going to take over, you are going to be on the deck of, and when—there were a couple of things—that is my first question. How do you plan to leverage that?

You—Admiral Richardson stated multiple bridge watch standers lack the basic level of knowledge on the steering control system, in

particular the transfer of steering and thrust control, et cetera. And with the USS *McCain*, several sailors—I quote again—several sailors on watch during the collision with the control over steering were temporarily assigned from USS *Antietam*. So they didn't—they could have done a game-based learning scenario on this ship before they transferred to the new ship and been at least familiar with what they were going to do on the ship, and easily, because it is in the cloud or it is on a DVD [digital video disc]. So that is my question. I will stop there and let you answer. Thank you.

Admiral RICHARDSON. Sir, if I could, I would just read it back to you, the value of simulators in terms of training and certifying our sailors. I couldn't agree with you more that particularly now with the technology, the degree of realism, the fidelity of those simulators is very, very high. And it can't take you all the way, as you know from your service, but it can take you a lot further than it used to.

And so with respect to the LCS, which is designed to have sort of a blue-gold crew type of an arrangement, you know, there is going to be one crew on the ship all the time, and one crew in the trainers and simulators. And so we need to make those as realistic as possible, as prototypic to the complexity of the assignment. So we are all in on that.

As the Comprehensive Review states, we need to sort of spread that philosophy around so that we can move those simulators and stand them up in places like Yokosuka, Japan, like Sasebo, so that we have got that level of training capacity and capability there. And it is much more than just the realistic environment. It also allows you to measure your performance throughout the game, right? And so it is more than just kids playing games. These are—the science behind these things, in terms of accelerating learning, has really been stunning in the last 10 years. We are leveraging all of that, not only in the corrective actions for these incidents, but in the training philosophy for the Navy, which falls under the title of ready-relevant learning.

Secretary SPENCER. Congressman, I just might add, when it comes to how we are going to address training, AI [artificial intelligence] is now just beginning to tip our scales. If we look at specifically what you are talking about with simulators, et cetera, they have the ability and we are exploring the application of artificial intelligence, which actually would work with the individual people to find weaknesses and actually strengthen the areas of weakness.

You might turn around and ask, you know, what are we looking for going forward? I am going to pre-answer a question, because it fits right here in the wheelhouse. Between the SRR and the CR, we are probably looking for \$800 million over the FYDP [Future Years Defense Program], and it is primarily in the area of schools, the simulators, bridge uniformity, along those lines. But it is not a tremendous amount of money in the grand scheme of things, but it has great leverage.

Mr. HUNTER. Thank you both. I yield back the balance of my time.

Mr. WILSON. Thank you very much, Congressman Hunter. We now proceed to Congressman Salud Carbajal of California.

Mr. CARBAJAL. Thank you, Mr. Chair. And thank you, Secretary Spencer and Admiral Richardson, for being here today.

I am concerned about the frequency and number of expired warfare certifications in the fleet. In instances where a ship is required for a mission but lacks the certification for the primary mission, what mitigations actions will the Navy take to include globally sourcing ships? Do other warfare areas, for example, aviation or submarines, allow their platforms to deploy following a depot-level repair without certifying qualifications and ensuring a minimum level of safety training criteria? What steps will the Navy take to ensure basic and advanced training are satisfied before they are sourced to other defense missions?

Admiral RICHARDSON. Sir, I will take first stab at that question, which really goes back to this force generation model and the rigor that needs to be applied to the training and certification elements of the force generation schedule. And so typically when a ship or an aircraft or any Navy asset, any Navy platform comes out of a deep maintenance period, there is a workup period where you work up the crew and then you take them from basic through intermediate and advanced. That is certainly a very formal process for ships stationed in continental United States, and they get formally certified before they deploy.

And then with respect to other forward-deployed naval forces, both in Bahrain in the Middle East and also in Rota, Spain, those models had been adhered to, and we don't see these lapsed certifications in those forward-deployed places as we did in Japan. And so it really is a matter of rigor. The new 7th Fleet commander is on that. We are looking at command-and-control structures to buttress that approach. And that is all wrapped into the comprehensive plan going forward. In the immediate time, we have taken action to ensure that every ship that is underway right now is certified for the missions it is conducting.

Mr. CARBAJAL. Thank you. Secretary, nothing to add? Well, let me ask you a second question. Under the current command-and-control construct for the Navy surface forces in the Pacific, there appears to be an inherent conflict with having a single command responsible for both sourcing operational requirements and ensuring the proper manning, training, equipment of the fleet. What steps is the Navy taking to address the conflict? And how can Congress help?

Admiral RICHARDSON. Sir, as we address the command and control, the Comprehensive Review and the Strategic Review are in firm agreement that there needs to be a separation to a degree—as good a degree as possible—between those responsible for training and certifying forces to be ready and then those who are responsible for employing those ready forces to meet combatant commander requests, demands.

And so that separation to a single standard of excellence is a major goal for both of the reviews and will certainly be one of the major achievements going forward. With respect to any assistance from the Congress, this Inouye amendment as it was called is just one, I would say, artificial seam that inhibits from establishing that single standard.

Mr. CARBAJAL. Great, thank you very much. I yield back my time.

Mr. WILSON. Thank you, Congressman Carbajal. We now proceed to Congressman Bradley Byrne of Alabama.

Mr. BYRNE. Thank you, Mr. Chairman. Gentlemen, good to see you. I heard what you said loud and clear about continuing resolutions. And you need to know that there are many of us on this committee and many of us off the committee who have been communicating very directly and very clearly to the leadership of the Congress that the use of continuing resolutions to fund the government, and particularly the use of continuing resolutions to fund the Department of Defense, has got to stop. We hear you. And you have many advocates in this room.

Last week at the Surface Navy Association Symposium, Vice Admiral Rowden said the way to avoid collisions like the *Fitzgerald* and *McCain* is to give our crews more time to train and maintain. He offered two options on how to get there—more ships or fewer obligations. I think we can all agree that the current threat environment is not going to lead to fewer obligations. So that means more ships.

The Navy's requirement and now the statutory requirement adopted by Congress and signed by the President is a 355-ship fleet. Now, in order for us to help you, we need to know what the plan is. We haven't received a new 30-year shipbuilding plan under this administration. Can we expect this plan to be delivered with the President's budget next month?

Secretary SPENCER. Yes, you can, Congressman.

Mr. BYRNE. Good. The fiscal year 2018 NDAA authorized 13 ships, which was 5 more than the President's budget requested, in large part to ensure we are taking advantage of hot production lines across the industrial base to keep acquisition efficient and affordable. Does the Navy recognize that without careful planning, losses in our industrial base make achieving a 355-ship Navy nearly impossible?

Secretary SPENCER. Congressman, we are very much aware of this. And I am more than happy to share with you and your fellow members the analysis that we have just come through and we are putting a dot on it as we speak. There is—as we call it—three projections. We can go along on a keep everything warm line, which does not get us to 355 within an acceptable period of time. We can do a normalized curve, which brings it in a little closer, or a very aggressive curve.

The balancing act that we have to do is to feed our demand need and also, to be very frank with you, care for the industrial base, because one of the things we are suffering right now is the last boom and bust, because we have a number of hulls that are coming up in a short period of time for decommissioning. And if we can smooth that curve, that would be an excellent solution for both the industrial base and for us. That is all with one caveat. If, in fact, we need ships for whatever reason at an expedited rate, we are going to have to go there.

Admiral RICHARDSON. Sir, if I could add onto that—

Mr. BYRNE. Yes, sir.

Admiral RICHARDSON. When we bring you this plan, it will come with some historical perspective, really sort of going back to 1955, and tracking our way forward. And it will show you the absolutely devastating effect of the peace dividend, if you will, on our industrial base, where more than a dozen shipyards really shuttered down and leaves us with an industrial base that has far less capacity now. So we need to really protect that treasure with everything we can.

Mr. BYRNE. Well, I think both of you know this, but when we stood up a shipyard in Mobile, I was the chancellor of post-secondary education for the State. And we had the entity under my direction that actually had to create the workforce for the shipyard in Mobile. And we had the luxury of time, a whole lot of time, and we had a recession, where we had a lot of people laid off.

We have exactly the opposite situation right now. We do not have the luxury of time, and we have a very active economy, where people with those sorts of skills, if we lay them off, they can go anywhere and get a job, and it is very hard both to get—train the people that you need to replace them and the people you train will not have the experience that the people they are replacing had, which means you are going to have a less efficient production schedule, and the ships are going to cost more, which we all don't want the ships to cost more.

So I just plead with you—and I know you hear me, because I have said this to you so many times—please work with us on this. I just want you to know that as you work to implement the priorities of the Trump administration, we expect a larger investment in shipbuilding to relieve the stress in our current fleet, which we know has contributed to some of these issues. We in Congress are your willing partnership, and we want to help in growing the fleet. However, we can't do that unless we have a signal from you on what you need. I understand you are about to get there. So I understand the roadmap is forthcoming. I look forward to having some time with you so I can understand what I can do and what we can do together to grow the fleet.

And I yield back.

Mr. WILSON. Thank you, Congressman Byrne. We now proceed to Congresswoman Stephanie Murphy of Florida.

Mrs. MURPHY. Secretary Spencer, Admiral Richardson, thank you for your testimony here today. First, I want to associate myself with the comments of some of my colleagues that we must do all that we can to ensure that the tragic accidents—that the tragic and avoidable incidents that we experienced this year never happen again.

And specifically, I would like to associate myself with the remarks by Bradley regarding the continuing resolutions. I have heard you and your colleagues loud and clear about the deleterious effect of CRs on the Navy's ability to ensure readiness. And I hope you know that we will continue to advocate to ensure that you have a predictable funding stream for our military so that you can make the investments that are needed to ensure readiness and the safety of our sailors.

Just by way of introduction, my district is in central Florida, and it is home to Team Orlando, which is a vibrant modeling, simula-

tion, and training community centered around the Navy's NAWCTSD [Naval Air Warfare Center Training Systems Division]. I have had the opportunity to see demonstrations of the same virtual game-based training systems for specific workstation requirements that Mr. Hunter had described.

There are several companies located in my district in Orlando that offer innovative training solutions like this, and I am just very impressed by the technology. As Mr. Hunter had said, these immersive virtual training systems can either be deployed in schoolhouses or be operated on a sailor's laptop or another device.

So I wanted to ask you, do you see value in virtual training technologies that can help ensure that sailors in operational environments are maintaining their qualifications and routinely assessed while deployed? And also, to follow up—and another question on that is, what is the Navy doing urgently in 2018 to improve training deficiencies in navigation, emergency procedures, and collision avoidance in highly trafficked areas?

Secretary SPENCER. I will take the first part of your question, Congresswoman. As far as it comes to virtual reality training and the technological advances that are available to us, we are looking at every single possible avenue. Having just signed out travel authority last quarter for close to 500 members of the Navy to go down to Orlando and participate in that event down there, I think that shows our level of commitment to the area.

In my initial testimony, in confirmation, I will reiterate again that technology is going to be our force multiplier, in every single aspect of how we do business, and training is one that we will benefit from.

Mrs. MURPHY. Great, thank you.

Admiral RICHARDSON. Ma'am, I will pile in on part two of your question. With respect to just immediate actions to address the concerns you had regarding operation in heavily trafficked areas, we have revised the formality of the procedures for ships approaching within 2 nautical miles to preserve decision-making time of the commanding officers to assess that heavily trafficked area. We have changed the reporting criteria regarding propulsion, navigation, and steering types of systems so that we have a more firm control over—and a reassurance that those systems operate properly. That also includes damage control systems.

And there is a whole list that I could go down of measures that we have taken, automatic identification system [AIS], the rules governing when to transmit on that, so you are visible to other ships in the area, have changed for our surface ships operating in those areas, and we are going to integrate that AIS system more seamlessly into the rest of the gear that we use to establish situational awareness in those types of situations. So a whole host of measures have already been taken.

Mrs. MURPHY. And specifically, have you expedited any training—additional training or other ways in which to make the sailors more prepared?

Admiral RICHARDSON. To date, because it has been such a short time, a lot of that has been sort of onboard the ships. So we have just sort of mandated—and the COs [commanding officers] didn't really need to be told, right? They knew what to get after.

In the longer term, as we look to expand some of these types of technologies and enhance them more into the fleet concentration areas around the world, we are certainly going to be going to these types of simulation and performance measuring types of systems to get us up to speed as fast as possible.

Mrs. MURPHY. Thank you. And I yield back.

Mr. WILSON. And thank you, Congresswoman Murphy. We now proceed to Congressman Dr. Ralph Abraham of Louisiana.

Dr. ABRAHAM. Thank you, Mr. Chairman. And thank you for being here. And I appreciate the words of the authority responsibility, because we all know that certainly in the military or business, you can designate authority, but never responsibility. So I appreciate you gentlemen being here.

And, Mr. Secretary, the analogy to the Mayo Clinic with the lead surgeon I think is a good comparison as to how things go. We understand certainly in hazard mitigation and risk management that there is an error chain usually if you have an incident, a mishap, or an accident. And if any link of that chain is broken, then that error or that accident does not happen. We all are familiar with the Swiss cheese model, with the holes lining up, so to speak.

And unfortunately, in these incidents that we are here to talk about, the hole did align, and we understand. So I assume and I hope that the culture of the Navy, Admiral, is that if any member of that crew sees something and he or she says, "Knock it off," or some phraseology, that everybody takes a step back and re-evaluates where they are.

Admiral RICHARDSON. Sir, absolutely. And you are familiar with the investigations and the literature on these types of major events. They are the accumulation of a lot of small errors that just sort of line up in a very unpredictable way, whether that be Deepwater Horizon, Challenger, an operating room, and so that is exactly the philosophy that we are taking.

Dr. ABRAHAM. And I will associate my comments with my good friend, Bradley, over here as far as the funding. We certainly on HASC [House Armed Services Committee], but I can say most if not all Members of Congress understand the severe shortage that you are faced with. And when we are told and we understand that in last year, 2016, I mean, 2017, that we had almost four times the number of training accidents as we did have deaths in combat, there is something wrong there. And we understand that does go back to certification and training, and that type of issue.

So I just want to make a statement that, again, I appreciate your forthrightness of coming forward, giving us direct answers to direct questions, and we certainly understand what the continuing CRs does to the training or, therefore, lack of training in your wheelhouse. So thank you very much. Mr. Chairman, I yield back.

Mr. WILSON. And thank you very much, Dr. Abraham. We now proceed to Congressman Ro Khanna of California.

Mr. KHANNA. Thank you, Mr. Chair. Mr. Secretary, Admiral Richardson, thank you for your service. My question concerns the Aegis system. And I wanted your assessment of how effective that currently is in the boost phase of an intercontinental ballistic missile in intercepting that, and how much assurance the American public could have in that technology currently.

Admiral RICHARDSON. Well, first, let me say foremost that the Aegis Combat System is highly effective in the ballistic missile defense role. And so we have tuned it for that role. We continue to improve it for that role, not only in the combat system, but also the interceptors. And so that is a program, a capability that is on a path of continuous improvement.

You asked specifically about the boost phase. Well, I will tell you, just from a geometry standpoint, I have got to say that that is a very difficult part of the kill chain, if you will, to get after. The missile that you are trying to hit does not spend a lot of time in the boost phase. Depending upon where it is launched, just achieving the geometry to get any type of an interceptor to intercept that missile during its boost phase is difficult.

And so it takes a very sophisticated combination of sensors to get it instantaneously and then a highly capable vehicle to intercept it. So we are working towards that capability, and the Aegis system will naturally be a big part of that.

Mr. KHANNA. So right now, is there any capability of getting a missile that is launched at any phase, other than the ground interceptors, where right now there is—with the Aegis system?

Admiral RICHARDSON. Absolutely. Throughout—particularly sort of in the terminal phases where—exoatmospheric phases where those do best, if we have got the opportunity, there is nothing that really precludes us from a system standpoint of getting the boost phases, just physics. You know, it is just time and distance, is you have got to be very, very close and very, very fast to catch it in that phase.

Mr. KHANNA. Would you then—in Congress, if we were prioritizing funding more of the ground interceptors with the hope of preventing an intercontinental ballistic missile that was about to hit or if we were saying let's fund more the development of the Aegis system to prevent an intercontinental ballistic missile that could hit the United States, what would you recommend? And how difficult would it be to have a system that would have a very high probability of success?

Admiral RICHARDSON. Well, again, the probability of success for intercept is pretty high. And in terms of the approach to missile defense, it really is a comprehensive approach that you want to take without singling in on any specific capability. So I am reluctant to choose between one system or another. They are all appropriate in different applications.

Mr. KHANNA. We make tough choices. You make tough choices all the time. I mean, in terms of—if you had resources, how would you allocate them or prioritize them?

Admiral RICHARDSON. I think that the program that is put forward is the best balance and assessment of the comprehensive approach.

Mr. KHANNA. Thank you. Any further? Thank you. Yield back.

Mr. WILSON. Thank you, Congressman Khanna. We now proceed to Congressman Mike Gallagher of Wisconsin.

Mr. GALLAGHER. Thank you, Mr. Chairman. Gentlemen, thank you both for your service and for being with us today.

CNO, you said something very interesting that I think was not in your written testimony, but was in your oral testimony about

how the lack of adequate funding has affected the Navy, and something about a scale of 1 to 10. If you wouldn't mind sort of repeating that, because I think it is a particularly important point for us to hear.

Admiral RICHARDSON. Sir, I would be happy to repeat that. I think—I really talked about—the toxic and corrosive effect of 9 years of continuing resolutions and the Budget Control Act. And I wanted to highlight that there is plenty of work that we are responsible for, and we are going to get after that, but the absence of stable and adequate funding for defense makes everything that we are doing to correct this system harder, much harder. And on a scale of 1 to 10, the importance of stable and adequate funding scores an 11.

Mr. GALLAGHER. That is a really critical point. I salute you for bringing that to light, and I hope we can echo that, particularly in the context of negotiations we are having right now. And I would say, Mr. Secretary, you referenced sort of a solarium process underway, which of course is a model for competitive review of strategy, but we sort of already legislated that review through three outside assessments of what the future fleet needs to look like. I am heartened to hear that we are going to get the 30-year shipbuilding plan soon.

So I do think we need sort of a re-think of our communications strategy, and start from the beginning, making that strategy first case to the American people for why seapower is so critical to our national security in the first place, because it strikes me, as someone who has only been here for a year, that we keep making the same case, and for whatever reason, it is not working.

So I just would ask you—and maybe this is a dumb question, Mr. Secretary—what is kind of your elevator pitch to the American people? Describe to me, if you will, what the purpose of the Navy is today and in the near future?

Secretary SPENCER. Well, the purpose of the Navy, Congressman, is it is your forward-deployed force, your primary forward-deployed force, the most limber and flexible force that you have for a multiple of things, but primarily which comes to the top issues would be keeping the arteries of commerce open on the open seas, the presence factor of American power around the globe, keeping peace through presence, and then when needed, the ability to provide the kinetic actions that we need to suppress and/or conquer our foes.

Mr. GALLAGHER. I appreciate it.

Secretary SPENCER. And through that, you need platforms, whether on the sea, under the sea, or in the air, and that is where Navy has all three.

Mr. GALLAGHER. And can you both give me a sense of, how do you think about conveying that purpose to the American public, to the fleet, to our allies, and our potential adversaries? And is that messaging coordinated? Is it aligned? Who is responsible? What is the process for strategic communications, if you will?

Secretary SPENCER. Well, I think the CNO and I are aligned in this. I flash back to when I was going through confirmation—and CNO, your strategy for naval forces going forward did highlight it—it is out there in the public. Obviously, what we are hearing, Congressman, is we have to do it in a better manner. But it is a

lockstep message which I just presented to you with the top three points.

Admiral RICHARDSON. Sir, if I could just add, the President has just released his National Security Strategy. The National Defense Strategy is imminent. And right on the heels of that will be the military strategy and a maritime strategy. And so with this issuance of strategic documents and—you know, and the sort of tiering of those, I would anticipate a vigorous strategic communications program going forward as we put together and release the new maritime strategy.

Mr. GALLAGHER. That is great to hear. And I know there has been some controversy about sort of the defense guidance that went out saying, you know, err on the side of silence. I just would personally like to say, I think that is a mistake in this case. I understand that loose lips can sink ships, but non-existent strategic communications can sink entire navies. And we need to do a better job of making that case to the American people.

And it is a partnership between us and between you, but you have the benefit of having the trust of the American people and a high approval rating that at times Congress does not. So we could really use your help in that regard.

Secretary SPENCER. Duly noted.

Mr. GALLAGHER. Thank you, Mr. Secretary.

Admiral RICHARDSON. Sir, I appreciate your help there and your pushing us in this regard. And we will go as far as we can up to the point where the information we are providing provides information that the enemy can use against us. I mean, that is the only point that we will just have to stop.

Mr. GALLAGHER. I totally understand that. I have 16 seconds. If I could quickly ask, Secretary Spencer, do you—how do you exercise oversight of the Navy and Marine Corps in their planning, programming, and budgeting execution activities? In other words, how do you ensure that the budgets of the Navy and Marine Corps are a reflection of sort of an integrated vision of American seapower?

Secretary SPENCER. That is one of my sole jobs with title 10, when it comes to the budgeting plan. What we look for going forward in this last cycle, which was my first cycle, was the overlaying needs, overlaying plan, and then overlaying strategy, and funding to that strategy, which is what we have done this last time around.

Mr. GALLAGHER. Well, thank you, both, gentlemen. And, Secretary, thank your wife, as well, for signing up for this assignment. So——

Mr. WILSON. And thank you, Congressman Gallagher, particularly with your combat background and experience. We appreciate your insight.

Congressman Don McEachin of Virginia.

Mr. MCEACHIN. Thank you, Mr. Chairman. Mr. Secretary and Admiral, thank you both for being here. We have already spoken a little bit today about the fact that it is now a national policy to have not fewer than 355 battle force ships. Am I correct in assuming that if we make that progress, that would at least partially relieve the pressures that we have discussed here today?

I am under the assumption that being able to distribute the same commitments across a larger fleet would help. Am I under the right assumption?

Admiral RICHARDSON. That is absolutely correct, sir.

Mr. MCEACHIN. All right. Pending the addition of the actual new ships to the Navy, are there steps that the Congress can take, recognizing the resource constraints under which we operate and the need to continue investing in many, many priorities aside from defense, that would demonstrate the seriousness of our commitment to 355 ships in such a way that pressures were relieved on the front end? In other words, can we make things easier by giving you greater certainty that help is on the way?

Secretary SPENCER. Most definitely, Congressman. If we look at shipbuilding in particular, the conversations that we have with the industrial base, we are looking to make sure they are the most competitive, lowest cost provider with highest quality and the quickest manner possible. We turned around and asked them, where are the capital investments that you are making in your yards to make you competitive and to provide a product in the parameters that I just presented to you? And they turn around and say, well, you give me the signal that there is a consistency to fund three, four, five, seven ships, I will make that commensurate investment.

And that is where—when I talk about the fact that we have to be partnership with industry, that is exactly what they are looking for, and that is exactly how you could help us, is to provide us the ability to send that signal or you send it directly that, yes, this is where we want to go and this is what our goal will be.

Admiral RICHARDSON. Sir, if I could add to that—

Mr. MCEACHIN. Please.

Admiral RICHARDSON. In terms of that assurance, right now as we speak, we have about 400,000 sailors and 180,000 Navy civilians looking at their watch wondering if the government is going to shut down and they are going to get paid.

Mr. MCEACHIN. We do understand that. I thank you both. And, Mr. Chairman, I yield back.

Mr. WILSON. Thank you, Congressman McEachin. We now proceed to Congresswoman Colleen Hanabusa of Hawaii.

Ms. HANABUSA. Thank you, Mr. Chairman. Thank you for being here, to both the Secretary as well as the CNO. I do want to say something and make it very clear for the record.

Senator Inouye was not one of us, normal kind of person. He is, of course, the recipient of the Medal of Honor, the highest award that can be presented in gratitude to anyone who wears the uniforms that you do. In addition, he is a recipient of the Congressional Gold Medal and the Presidential Medal of Freedom.

He, like me, we represent the State of Hawaii, and of course, we are home to the Pacific Command. And as you know, their AOR [area of responsibility] is almost 55 percent of the Earth's surface. I am a strong advocate—and I say this to the people in the Army, to their chagrin—that the Pacific is an air and sea power, but more accurately a sea power. And therefore, I am very concerned when we sit here and we start to say, well, you know, maybe we need—and I don't disagree with a standard of excellence, a single stand-

ard of excellence. However, I would like to impress upon you that the Pacific is different.

Where these accidents occurred, especially the *McCain*, is in a very busy area, because when we were briefed earlier, what we are faced with is a lot of commercial traffic, as well. It is not like during World War II when it was just basically the military ships going back and forth. It is the busiest commercial trade zones in the world.

Having said that, Admiral Richardson, in your testimony, you said, looking back to 2017 was a year of triumph and tragedy for our Navy. We consistently forward deployed more than 60,000 sailors and 95 ships and submarines around the globe. So does that mean we only had 95 of our 280-some-odd ships, a far cry from the 355 or President Obama's 318? Is that what you are saying in that statement, we only had 95 deployed?

Admiral RICHARDSON. Consistently at any one day we had 95 deployed, so that is about—more than a third of your battle force. And so it goes back to this training and certification cycle that we are on. Those are ships that are on mission, and the others are in maintenance and training, getting ready to go on mission, and so that is sort of the ratios that you deal with when you are talking about maintaining a force forward deployed.

Ms. HANABUSA. So the Secretary had a statement that was very interesting, that the Strategic Readiness Review team's assessment determined that today's readiness deficiencies—and I assume this also talks about *Fitzgerald*, *McCain*, and the other two that resulted with no physical injury, to our benefit—are not traceable to any single policy or leadership decision, but rather the cumulative effect of well-meaning decisions that were designed to achieve short-term operational goals.

I read in one of these reports that the problem was that actually those of you in the Pentagon would make decisions that we have to take action, and you would basically send it down to the chain of command, and whether they were adequate or not, the problem with maybe even the Pacific Fleet or PACOM [U.S. Pacific Command] and all of our sailors is that they serve. And they probably were under adverse circumstances to do that. Was that a correct statement, Mr. Secretary?

Secretary SPENCER. The Navy-Marine Corps team, much like our other sister services, are organizations that are biased for action, and that is what you want from uniformed people. What we have to find is that fine balance between when the alarm goes off in the barn, running out the door, and making sure that you are prepared to do the mission you are doing.

Ms. HANABUSA. And I am going to be running out of time, but I do wish that you would consider one thing. I believe the Pacific is different than the European theater. It is different. And the reason why I feel that Senator probably put in what you are calling the Inouye amendment is to ensure that the difference of that which is the Pacific would become foremost in everyone's mind.

I also would like you to also take more responsibility that the *McCain* and *Fitzgerald* were basically 20 years old and the training that goes on those ships and the fact that they are in Yokosuka

and not being maintained like everything else is really a function of, I think, higher up decisions than what you are concerned with.

So I think this amendment that you are taking issue with probably is a good way to protect the people that serve in the PACOM AOR. So with that, Mr. Chair, I yield back.

Mr. WILSON. And thank you, Congresswoman Hanabusa. We now proceed to Congressman Donald Norcross of New Jersey.

Mr. NORCROSS. Thank you, Chairman and Chairman, for holding this hearing, and certainly the ranking members. This is the last of many hearings we have held on the tragedies that you have talked about and we have heard about today.

Mr. Secretary and Admiral, good to see you again. When we look at what had occurred after the first loss of life and then a second accident with a loss of life, I have to say how impressed we were after the second one, the reaction we finally were getting to try to address some core issues. And it is a challenge. There is no question about that.

And back on November, the Fleet Comprehensive Review made 58 recommendations, and then after that, December 13th was the readiness review that had with it 6 chapters and 23 recommendations. And I just want to read to you out of the December 13th readiness review that talked about the very first recommendation on there, condition congressional and executive branch leaders to accept that a higher cost and time to achieve established readiness standards will mean less presence worldwide.

It appears reading that that somehow you are making a choice between safety and lives and readiness. And I know you would never suggest that, that you understand that everybody under your command is a valuable source for not only our country, but the world. But to read that, it seems like you have to make a choice, either we are going to be ready or we are putting people at risk to lose their lives.

The recommendations, the vast majority of them I agree with, but I just want to give you a chance to address the very first recommendation that somehow we can choose safety or readiness. And I know you don't mean that. Would you explain that?

Secretary SPENCER. Certainly, Congressman. What it does is brings up the conversation that it is a mathematical game. You cannot expand what you don't have. And we have to make sure everyone is attuned to that. And that is our responsibility, the CNO and I, to make sure that you all on the funding side understand what we are looking at, at this model. That is what that recommendation was to do, to get the conversation started.

Mr. NORCROSS. Just—because are you suggesting we don't understand that?

Secretary SPENCER. No, I am not suggesting you don't understand it. I am suggesting that the discussion has to be made and has to be understood.

Mr. NORCROSS. You make those decisions every day, right?

Secretary SPENCER. Correct.

Mr. NORCROSS. Yes.

Admiral RICHARDSON. Sir, as I interpret that, if I could just pile on to what the Secretary is saying, I think as I read that, it really strengthens the argument that our responsibility is to be both safe

and ready before we go out and get assigned to a mission. And so it is not a tension between safety and readiness, as I see it. We need to cover down on those two fundamental obligations before we send that ship forward and put it into harm's way.

Mr. NORCROSS. You need both, there is no question of that.

Admiral RICHARDSON. Yes, sir, exactly right.

Mr. NORCROSS. So it is our obligation, along with yours, to make sure that you have the tools you need at the appropriate time.

Admiral RICHARDSON. It is a shared thing, yes, sir.

Secretary SPENCER. Exactly.

Mr. NORCROSS. Thank you. I yield back.

Mr. WILSON. And thank you very much, Congressman Norcross. We now proceed to Congressman Jim Langevin of Rhode Island.

Mr. LANGEVIN. Thank you, Mr. Chairman. Mr. Secretary and Admiral Richardson, thank you for being here and for your testimony. I would like to just continue on the issue of training and readiness.

So I would like to know if and how the Navy is looking towards the expertise and training regimen of the professional mariner community in order to adopt best practices and improve upon navigation and seamanship and ship-handling skills. For example, the United States Maritime Resource Center in my State of Rhode Island delivers professional training and continuous assessment of these proficiencies, having provided all the initial core nautical science and professional maritime training for the NOAA [National Oceanic and Atmospheric Administration] corps, for example.

So have you considered utilizing in-depth training and assessment from the professional mariner community to fill any competency gaps that you might be facing right now?

Admiral RICHARDSON. Sir, we have a pretty good dialogue with that community. And depending upon capacity and really technology, there were times where we are using those simulators quite a bit. Now if you go just up the road to Newport, you know, we will find some pretty state-of-the-art trainers that better simulate some of the ships that we are training our officers and sailors to drive.

But in terms of standards and approaches, I would say it is a vigorous dialogue. But what I like to do is just make sure that I am right, you know, and I am current, and I will get back to you, sir.

Mr. LANGEVIN. Okay, good enough. Thank you. So I also understand the Navy plans to continue to conduct in-service material inspections every 6 years, as opposed to every 3, potentially delaying necessary maintenance. So, you know, I think this is one of those areas where we have sung this song before, and the Navy's current collision record, unfortunately, is part of the result of choices to lessen shoreside training that were made over a decade ago.

And while I support reducing burdensome requirements, I do worry that loosening these inspection standards may set us up for increased maintenance problems in the future. So is there—is this a concern for the Navy? And how do you intend to mitigate this potential risk?

Admiral RICHARDSON. Sir, you have brought up the matter of inspections. And it is an absolute fundamental part of the way going forward. We want to make sure that we are inspecting at the prop-

er frequency and that those inspections are useful to the crew, particularly the commanding officer, so that he or she can make the adjustments and continue to improve their crew.

The Comprehensive Review found that there were something on the order of almost 300 inspections in a typical training cycle, many of which never spoke to the commanding officer, and it is hard, to be honest, to even keep track of those.

You mentioned INSURV. That is one of the critical ones for material readiness. I take those INSURV briefs myself, as does the Secretary. We have provided INSURV report to Congress. We are moving back to 3-year periodicity, where we have a full-on detailed INSURV, and then 3 years later, we will have sort of a lighter version of that INSURV that will come back and validate, and then have a heavy one again.

And so also looking at, what do those INSURVs actually inspect in terms of articulating the material readiness to conduct combat operations? You know, not all deficiencies are created equal when it comes to that, and so we are very interested and moving forward to make those INSURV inspections, both at the proper periodicity and looking at the proper things.

Mr. LANGEVIN. Okay. And on another topic, in order to match supply and demand, as noted in your Strategic Readiness Review, how do you intend to balance re-establishing a culture of safety to support sustainable operations and the long-term goal of persistent readiness and the constant need to fill increased operational requirements? Will you change your processes as to how you assess the readiness of ships and sailors?

Secretary SPENCER. What we have in place, Congressman, as you have heard us say before, the systems are in place. We have had a deviation from the norm. And the biggest lever that we have now is to have the conversations to bring us back towards norm.

I believe—and I will defer to the CNO—that we have a pretty good system in place right now that has adjudication—the ability to bring supply and demand conversation and an adjudication process. But again, what we want to make sure is everyone is realizing what the true math is with the numbers.

Mr. LANGEVIN. Okay, well, thank you both for what you are doing. We will continue to be on top of this, something I am going to follow closely. I know my colleagues and I will all do that. But thank you for your service and for being here today. We look forward to having you back. Thank you.

Mr. WILSON. Thank you very much, Congressman Langevin. We now conclude with Congresswoman Liz Cheney of Wyoming.

Ms. CHENEY. Thank you very much, Mr. Chairman, and thanks for your indulgence and the committee's indulgence in allowing me to be here today. Thank you very much, Secretary Spencer and Admiral Richardson, for your service and for being here.

And I don't have a question. I have appreciated very much the chance to sit in, to understand where things stand, where you are going, but I also want to echo what you have heard a number of times here today, and that is that we take very seriously—it is not just a situation, as you know, where we are in a holding pattern because of the CRs, but we—there are many of us, particularly on Armed Services but broadly—who are consistently making the

point that we are causing damage, that every time we vote for another continuing resolution, we are doing damage. One more day is more damage, and you have made that point very eloquently.

We are in a situation where we have to make sure that the Members of Congress recognize and understand that our constitutional obligation is not being fulfilled, so long as we don't provide that kind of stable and sufficient funding that you have discussed.

We have passed—as you well know—the National Defense Authorization Act and the Appropriations Act through the House. The Senate has passed the authorization, but we have got to get the appropriations passed through the Senate.

And I would just say in closing that one of the things that has become very clear in my short time here is how important it is we remind our colleagues that we cannot treat defense spending the way that we treat every other part of the budget and every other part of the appropriations process. But we have got to recognize that if we fail to get this right, and if we fail to get the resources that our military needs to defend and protect us, it doesn't matter how important we think tax cuts are, it doesn't matter how important we think health reform is, it doesn't matter how important any of the other matters we deal with are, if we fail to get this fundamental issue right, then none of those other things will matter.

And so we are very grateful, I am very grateful for your being very frank and direct. We urge you to continue to do that. And we are continuing to fight here. We are going to need some very significant reforms to the entire budget process in order to be able to get out of the rut that we have been in and the real damage that has been done with the continuing resolutions for multiple years.

But I thank very much the committee for its time and I thank you very much for your service and for being here.

Secretary SPENCER. If I could respond to the Congresswoman, I would be remiss if I didn't put a dot on this, because I know many of you in this room have heard this before. But to go on the record, we were asked to compute in the United States Navy what nine continuing resolutions have cost us. It has cost us \$4 billion. That is not lost opportunity; that is \$4 billion in cash in a trash can with lighter fluid, burn it. And that is the impact that continuing resolutions have, looking back in a totally quantitative basis.

Ms. CHENEY. Yes, well, and I appreciate that very much. And of course, in addition to that, we are to the point where we are seeing an impact in lives, as well, as you know far better than I do.

And the other piece I would just point out is we are seeing an impact in terms of aid to our adversaries. And again, the fact that one body appears unable to do its job, the fact that the Senate is unable to do its constitutional obligation to pass an appropriations bill for defense doesn't absolve the House of Representatives from doing its job and its duty. And we are very committed to making sure that we do that and we get it done and get the United States Senate to pass it, as well, so we can get it to the President's desk for signature.

Thank you very much. And I yield back.

Mr. WILSON. And thank you very much, Congresswoman Cheney, and we particularly appreciate your appreciation of your constituents, Secretary and Ms. Spencer, who are here today.

And Secretary Spencer and Admiral Richardson, as a grateful Navy dad myself, thank you for your candid remarks. And thank you for following through on trying to address the issue of this catastrophic series of events and the Navy's plans to get back on course.

Many of us have visited the *Fitzgerald* at Yokosuka, Japan, and our sympathy has been underscored for the families who have been so gruesomely affected. We invite the Navy to return and update the subcommittees on your progress in a few months. Thank you, Margaret Dean, for your service.

This hearing is adjourned.

[Whereupon, at 5:14 p.m., the subcommittees were adjourned.]

A P P E N D I X

JANUARY 18, 2018

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JANUARY 18, 2018

Statement of the Honorable Joe Wilson
Chairman, Readiness Subcommittee
“SPF/RDY Hearing: Surface Warfare: At a Crossroads”
January 18, 2018

Good afternoon.

Ladies and gentlemen, I call this joint hearing of the Readiness and Seapower and Projection Forces Subcommittees of the House Armed Services Committee, to order.

First, I would like to take a moment to honor the seventeen sailors who were lost in the Navy’s tragic collisions.

Sailors from the USS Fitzgerald

Shingo Douglass
Noe Hernandez
Ngoc Truong Huynh
Xavier Martin
Gary Rehm Jr.
Dakota Rigsby
Carlos Victor

And the USS John S. McCain sailors

Kevin Bushell
Dustin Doyon
Jacob Drake
Timothy Eckels Jr.
Charles Findley
John Hoagland III
Corey Ingram
Abraham Lopez
Kenneth Smith
Logan Palmer

Over the course of the past six months, our subcommittees have met with Navy leadership to understand the causal factors that led to four significant and tragic incidents involving surface ships in 2017, two of these resulted in 17 sailor deaths. I remain confident that our Navy remains the most powerful in the world; however, the Navy is not alone in responsibility.

I fully believe the primary responsibility of the national government is to provide for the national security of its citizens—and that is especially true of our sailors, soldiers, airmen, and marines; therefore, it is our responsibility as members of these subcommittees to better understand the readiness situation and how the

Navy's Strategic Readiness Review and Comprehensive Review are informing and assisting the Department of the Navy in correcting any deficiencies and shortfalls.

This week the Navy announced additional actions for shipboard personnel involved in these collisions. Separate from these military actions, this Committee remains concerned that the senior officers who created the conditions for ships to not receive depot level repairs, the individuals who chose to repeatedly approve waivers of expired certification, and the individuals who had the ability to balance and globally resource operational requirements are not being held accountable.

At the same time, Congress is also accountable to do its duty. Passing another temporary spending measure compounds the negative impacts for the military, some of those impacts are highlighted by the manning, training, and certification gaps that come from inconsistent funding and increased operations.

Today, the Secretary of the Navy, the Honorable Richard Spencer and the Chief of Naval Operations, Admiral John Richardson are here to testify to the Navy's Strategic Readiness Review and Comprehensive Review for our hearing on "Surface Warfare: At a Crossroads".

I remain concerned about the Navy's training and certification processes, the approach to correcting any deficiencies and shortfalls, and the Navy's approach to improve accountability. I hope that today's hearing will address these concerns.

I would now like to turn to our Ranking Member, Congresswoman Madeleine Bordallo of Guam, for any remarks she may have.

**Opening Remarks of the Honorable Robert J. Wittman
for the
Joint Readiness and Seapower and Projection Forces Hearing on
Surface Warfare at a Crossroads
January 18, 2018**

I thank the gentleman for yielding and I too want to thank Secretary Spencer and Admiral Richardson for attending this important hearing.

Dr. James Holmes, a noted Navy War College professor, recently wrote an article entitled “Who Watches the Watchers in the United States Navy”. In this article, he expressed concern about the apparent lack of accountability for the structural problems in the surface warfare community. He indicated that the Navy is quick in citing senior leadership’s loss of confidence in commanding officers but is, at best, circumspect when assessing fault to the system that drove these commanding officers to seek what he calls the “normalization of deviation”. This culture of holding the commanding officer accountable is very apparent with the decision announced on Tuesday to bring the commanding officers, and other officials, from the USS Fitzgerald and McCain before an article 32 hearing for negligent homicide.

While I agree with the Navy that officers should be held accountable, I am equally convinced that we need to reform the system that drove these officers to avoid additional incidents and to reduce future “normalization of deviation” instances. I think the Navy has taken a good first step at addressing these systemic areas but there are a multitude of other issues that need to be reviewed to include: organization reform, manning deficiencies, material readiness, and serious training reform.

While the Comprehensive Review and the Strategic Readiness Review have identified the organizational problems facing the Navy, I think it is time to take bold steps in correcting the deficiencies that were identified almost 15 years ago. It is time to flatten the organization and centralize the title 10 manning, training and equipping authorities at Fleet Forces Command. It is time to reactivate the 2nd Fleet and eliminate 4th fleet to ensure the Navy retains an emphasis on deployment credibility. It is time that we consolidate Navy policy intellect by collocating the three star type commanders at Fleet Forces Command. And it is time for Congress to end restrictions that contributed to the 7th Fleet disorganization and allow the Navy to efficiently reorganize.

I was particularly disappointed with the manning levels of our forward deployed naval forces, particularly concerning the disparity between different ship classes. I do not understand why forward deployed naval forces are the worst manned forces in the surface Navy. They need to be the best.

With regard to training, I am concerned that as our ships become more technically challenging to operate, our surface warfare community has retained a

generalist preference that contributes to the surface warfare malaise. I think it is time that we adopt specialists similar to the aviation community and foreign navies. We should require surface warfare officers to specialize in deck or engineering and allow needed junior officer time to develop basic skills. Further, the Navy should consider adopting certification milestones similar to the commercial sector. The U.S. Navy needs to significantly improve the surface warfare pipeline to ensure navy officers are provided basic navigation and engineering skills.

Finally, as to correcting material issues, I think it is time that we start to take our INSURV process seriously and correct the material problems facing the forward deployed navy forces. INSURV is a statutory driven process that provides Congress and our nation a snapshot of the material condition of the fleet. I am concerned that the classification of the INSURV reports fails to provide our nation a reasonable perspective of the negative consequences associated with underfunding the readiness accounts. Navy should be prepared to publicly articulate the risk of our surface ship maintenance. We need to ensure that forward deployed navy forces are properly maintained with a competent workforce that has the capacity and skills to maintain the fleet. It is time that we routinely rotate ships back to the United States that have been forward deployed for over 20 years.

We have significant challenges that face our surface forces but with time and resolve, I am confident that we can right the surface forces that are perilously askew.

As to Dr. Holmes's question as to who watches the watchers, I want to unambiguously answer that this committee will continue to drive toward accountability and providing solutions to the systemic problems that face the surface warfare community today. I will watch the watchers.

I yield the balance of my time.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED
SERVICES COMMITTEE

STATEMENT OF
SECRETARY RICHARD V SPENCER
U.S. NAVY
SECRETARY OF THE NAVY

BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS
AND
SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES
ON
SURFACE WARFARE: AT A CROSSROADS
JANUARY 18, 2018

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED
SERVICES COMMITTEE

Chairmen Wilson and Wittman, Ranking Members Bordallo and Courtney, and distinguished members of the committee, thank you for the opportunity to appear before you today to discuss the current state of the surface Navy. Nothing is more important to me than the readiness and warfighting capability of our Fleet and the safety of our sailors.

As you are well aware, 2017 was a particularly challenging year for the United States Navy surface fleet. As a result of two major incidents, we lost 17 Sailors. These Sailors will not be forgotten, and our Navy stands in solidarity in support of their families. We stay in touch and support our Navy and Marine Corps team and family members and will continue to do so. And while it pales in comparison to the tragic deaths of our shipmates, the Navy also lost the use of three critical ships for an extended period and incurred hundreds of millions of dollars in unexpected costs.

I appear before you today to share what we learned through two reviews and how we will prescribe remedial action to ensure that we will not repeat actions of the past. I commit to you that we are working with a sense of urgency to correct issues, reestablish a culture of safety and respect to support sustainable operations, and ensure we continue to provide the Nation a ready and lethal Navy.

Following these tragic incidents, the Vice Chief of Naval Operations and I both directed mandatory reviews. The Comprehensive Review focused on the causal factors and contributing conditions at the tactical and operational levels, while the Strategic Readiness Review examined systemic issues and root causes across the Fleet and over time. The action plan to implement the Comprehensive Review's recommendations is underway and off to a good start; however we are also committed to going after and fixing the systemic issues and root causes that resulted in our current situation.

The Strategic Readiness Review took a 90 day look at the Navy's overall past performance, with specific focus on the stresses on the force and the overall culture of operational risk management, training, and organization. The team included service and industry experts who had experience with investigations of major incidents in other contexts, in order to leverage their knowledge of best practices from previous lessons learned efforts.

The Strategic Readiness Review team's assessment determined that today's readiness deficiencies are not traceable to any single policy or leadership decision, but rather the cumulative effect of well-meaning decisions that were designed to achieve short-term operational goals. Those decisions unfortunately produced unintended, and unacceptable, negative consequences which degraded long-term operational capabilities.

The Strategic Readiness Review offers four main recommendations:

- 1) Reestablish readiness as a priority
- 2) Match force supply and demand
- 3) Establish clear command and control relationships; and
- 4) Become a true learning organization

These recommendations provide us guideposts in order to move forward and implement the needed corrective actions within the Department of the Navy. We are doing so with a sense of urgency.

The Strategic Review team concluded that Navy leaders gradually accepted greater risk to accomplish assigned missions. Standards designed for safe and effective operations were relaxed to meet operational and fiscal demands, which led to a continuous accumulation of risk. The normalization of acceptance of increased risk derived by deviations from our standards must be corrected.

As we move forward, we are working with leadership across the Navy and Marine Corps to digest the accepted recommendations and determine how best to implement these corrective actions. Most of the Strategic Readiness Review's specific recommendations align with those of the VCNO's Comprehensive Review, though there are a few that differ. The CNO, CMC, and I are discussing these differences and gathering further data to inform our decisions on the best path forward for the Department of the Navy.

While implementation has already begun, success will not be attained overnight. We will improve readiness by ensuring Sailors and Marines have the time they need to conduct training and the resources required to accomplish needed maintenance and repairs. In order to protect readiness, we will carefully balance Combatant Commander requests with Navy resource constraints. Improved readiness will in turn lead to

increased operational capability. As part of rebuilding a culture of prudent risk management, we will be establishing clear command and control relationships that stress responsibility and accountability in how we prepare forces for combat.

As we attack these challenges, we will recommit ourselves to becoming a true learning organization. We will build feedback mechanisms to ensure past mistakes and behaviors, once corrected, are not permitted to reoccur.

Military operations are inherently risky. Human error will always be a factor. Equipment will eventually fail, seemingly at the worst of times. What we need is widespread use of objective, qualitative and quantitative data – leading indicators - to identify potential risks and to inform decision making rather than relying on lagging indicators gathered after the risk has occurred. By taking leading indicators into account, we can better understand complex underlying problems and address them directly, rather than just the symptoms. We must then institutionalize the knowledge and processes gained through the learning process to change as an organization in a never ending cycle of improvement.

Many of the Reviews' recommendations are within my purview as Secretary of the Navy to implement; those are our first targets. Some of the more complex recommendations will require coordination with the Office of the Secretary of Defense. Some of the recommendations will require Congressional support to implement; in those cases, I know I can count on your support.

It is critical to note that the lessons learned through the Comprehensive and Strategic Readiness Reviews will not be limited to the surface force, but rather to the entire naval enterprise. We will be proactive in assessing conditions across the Navy-Marine Corps team and apply lessons learned and processes introduced as required to prevent future tragedy, increase readiness and improve warfighting capability.

With the assistance of all the stakeholders, we will continue to grow our competitive advantage. The United States Navy-Marine Corps team is still the most ready, capable, and lethal force in the arsenal. However, we are acutely aware that there is always room for improvement, and we are leaning forward to learn. As we stand with the families of the fallen, we act with a sense of urgency, fully aware of the scope and importance of the challenges before us. While ultimate responsibility lies with me, I

need your help and always welcome your advice and counsel as we increase readiness, warfighting capability and lethality. I look forward to working with you, and answering any questions you might have.

Richard V. Spencer

Richard V. Spencer of Wyoming was sworn in as the 76th secretary of the Navy Aug. 3, 2017.

A Connecticut native, Spencer graduated from Rollins College in 1976 with a Bachelor of Arts in Economics. Upon graduation he joined the United States Marine Corps and proudly served as an H-46 pilot until 1981 before departing active duty to enter the private finance sector.

Spencer worked on Wall Street for 16 years with responsibilities centered on investment banking services and a particular focus on strategic advisory services and capital market underwriting. After three years as president of Crossroads Investment Management LLC, a leading venture capital and private equity fund-of-funds investment firm, Spencer joined Intercontinental Exchange, Inc. (NYSE-ICE), the leading electronic commodity futures exchange, as chief financial officer. ICE introduced transparency and risk management to the global derivatives markets. As vice chairman he was responsible for the transition of the company from private to public, including initial board of directors recruitment, the initial public offering and the subsequent three secondary offerings, financial reporting, strategy development and implementation, and human resources management.

From 2007 to 2017 Spencer was the managing director of Fall Creek Management, LLC.

Spencer served on the Board of Directors of Global Atlantic Financial Group, ENGAGEex LLC, 86Borders LLC and StarPound Technologies. His charitable activities include board service on the Marine Corps Heritage Foundation, The Community Foundation of Jackson Hole, Teton County Search & Rescue Foundation, Veterans Campaign/Center for Second Service, and Honoring Our Vets. Spencer served on the Defense Business Board and the Chief of Naval Operations Executive Panel.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED
SERVICES COMMITTEE

STATEMENT OF

ADMIRAL JOHN M. RICHARDSON

U.S. NAVY

CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS

AND

SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

ON

SURFACE WARFARE AT A CROSSROADS

JANUARY 18, 2018

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE ARMED
SERVICES COMMITTEE

Chairman Wilson, Chairman Wittman, Ranking Members Bordallo and Courtney, and distinguished members of the subcommittees, thank you for the opportunity to brief you today on our Action Plan to address the systemic issues identified in both the Comprehensive Review and Secretary Spencer's Strategic Readiness Review.

Looking back, 2017 was a year of triumph and tragedy for our Navy. We consistently forward-deployed more than 60,000 Sailors and 95 ships and submarines around the globe. We executed our mission to protect America from attack, to advance our nation's interests, and to enhance our prosperity.

Working as part of the joint force and with our allies and partners, our Carrier Strike Groups (CSGs) and Special Operations Forces provided decisive combat power in the fight against violent extremism to help decimate the self-proclaimed ISIS caliphate. Our six embarked Carrier Air Wings launched sorties around the clock to project power far from our shores. And for the first time since 2007, we operated three CSGs together in an undeniable demonstration of maritime power.

Even as we achieved these successes, we were reminded of the unforgiving nature of operating at sea. Our Navy experienced five serious incidents in the Pacific resulting in the loss of 20 dedicated Sailors. Our thoughts and prayers remain with our fallen shipmates and their families, who will always be part of our Navy Team.

Our investigations into these incidents revealed that these mishaps were due in large part to human error and failures of leadership as we took our eye off of mastering the basics in seamanship and navigation.

We owe it to our Sailors and our loved ones who support us to quickly and forcefully apply these lessons through corrective action, and that's exactly what we're doing. In the wake of the collisions involving USS *Fitzgerald* and USS *John S. McCain*, I ordered an operational pause across the entire fleet to address immediate actions to improve our safe and effective operations at sea. Additionally, I commissioned a Comprehensive Review, led by Admiral Phil Davidson, Commander, US Fleet Forces Command, to identify additional systemic causal and contributing factors.

Based on the recommendations that emerged from the operational pause and Comprehensive Review, I can report to these subcommittees that the following actions are complete:

- No FDNF-J ships are operating uncertified for their missions assigned, and Ready for Sea Assessments have been conducted on FDNF-J cruisers and destroyers with the exception of those completing or in maintenance, in order to re-baseline existing afloat certifications. These remaining ships are either scheduled for assessments in the very near term, or are being transitioned to our new force generation model.
- Evaluated naval requirements in the Western Pacific to prioritize operations in theater;

- Implemented a new force generation model for all cruisers and destroyers (CRUDES) forward-deployed to Japan to support operational requirements and preserve maintenance and training time;
- Implemented circadian rhythm watch bills to manage fatigue;
- Established a comprehensive fatigue and endurance management policy to guide command teams to make balanced risk decisions;
- Revised formality of procedures for ships approaching within two nautical miles to preserve commanders' decision-making time;
- Changed reporting criteria for navigation, steering, propulsion, and damage control issues to address critical equipment problems in a timely manner;
- Mandated reporting of near-mishaps to ensure that best practices and lessons learned are shared across the Fleet;
- Commenced monthly assessments on the International Rules of the Road to grade and track watchstanders' level of knowledge;
- Accelerated navigation upgrades across all CRUDES platforms, including full integration of the Automatic Identification System (AIS), to equip ships with the latest technology;
- Directed surface ships to transmit on AIS in high traffic areas to reduce confusion in congested or high-traffic areas; and
- Standardized surface force common operating procedures to reduce variability in engineering practices and tactical responses;

I also established an Oversight Board (OSB) chaired by Admiral Bill Moran, Vice Chief of Naval Operations, to track those actions that are still in progress. These include:

- Re-designing the Surface Warfare Officer career path;
- Overhauling the seamanship, professional education, shipboard qualification standards, and risk management curricula (in the next three months);
- Assessing all variations of Bridge control systems (in the next three months); and
- Reviewing of all inspection, certification, and assist visit requirements to determine the optimal balance between operational assessments and burdens (in the next three months).

Finally, as Chief of Naval Operations, I am ultimately responsible for knocking down any obstacle preventing our Sailors from focusing on warfighting and safely operating at sea. This includes studying cultural dynamics and organizational issues to make lasting changes that will allow us to learn and grow as a Navy. These include:

- Reducing administrative distractions to give time back to commanders to train their teams and maintain their equipment;
- Creating effective, clear, and simple command and control structures so commanders know who they are working for as they train, certify, and deploy; and
- Developing a supply-side approach to our force generation model for ships -- particularly for those forward-deployed to Japan -- in order to support operational requirements, preserve sufficient maintenance and training time, and improve certification processes.

In December, I visited our naval forces in Korea, Japan, and Bahrain, and through my interactions with our Sailors, it's clear to me that our corrective actions are having a positive impact on our safe and effective operations at sea.

Looking forward, our mission for 2018 is simple but by no means easy. Our adversaries are adaptive and increasingly assertive. We must rise to the challenge by learning from our mistakes, capturing our successes, sharing those insights across the force, and improving upon our best every day.

By dedicating our hearts and minds to this calling, we will finish 2018 as the safest Navy in the world for our Sailors, the strongest partner in the world for our friends and allies, and the most lethal Navy in the world for our enemies.

On behalf of our Sailors, their families and our Navy civilians, I thank the Congress – and especially these subcommittees – for your continued support. I look forward to working with you and to taking your questions.

Admiral John Richardson

Admiral John Richardson graduated from the U.S. Naval Academy in 1982 with a Bachelor of Science in Physics. He holds master's degrees in electrical engineering from the Massachusetts Institute of Technology and Woods Hole Oceanographic Institution, and National Security Strategy from the National War College.

At sea, Richardson served on USS Parche (SSN 683), USS George C. Marshall (SSBN 654) and USS Salt Lake City (SSN 716). He commanded USS Honolulu (SSN 718) in Pearl Harbor, Hawaii.

Richardson also served as commodore of Submarine Development Squadron (DEVRON) 12; commander, Submarine Group 8; commander, Submarine Allied Naval Forces South; deputy commander, U.S. 6th Fleet; chief of staff, U.S. Naval Forces Europe and U.S. Naval Forces Africa; commander, Naval Submarine Forces, and director of Naval Reactors.

His staff assignments include duty in the attack submarine division on the Chief of Naval Operations staff; naval aide to the President; prospective commanding officer instructor for Commander, Submarine Forces, U.S. Pacific Fleet; assistant deputy director for Regional Operations on the Joint Staff; and director of Strategy and Policy at U.S. Joint Forces Command.

Richardson served on teams that have been awarded the Presidential Unit Citation, the Joint Meritorious Unit Award, the Navy Unit Commendation, and the Navy "E" Ribbon. He was awarded the Vice Admiral Stockdale Award for his time in command of USS Honolulu.

Richardson began serving as the 31st Chief of Naval Operations September 18, 2015.

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

JANUARY 18, 2018

QUESTIONS SUBMITTED BY MR. ROGERS

Mr. ROGERS. It is clear that the collisions associated with the *McCain* and *Fitzgerald* could be directly attributed to insufficient force structure. One of the critical missions provided by the 7th Fleet is the direct support of Ballistic Missile Defense (BMD). Several years ago, the Navy and Missile Defense Agency concluded that there was a requirement for 40 “advanced BMD capable ships.” It appears to me that the combatant commander demand for BMD ships is increasing. Given the evolving North Korea threat as well as the increasing worldwide ballistic missile threats, do you still believe this number is adequate? Are you planning on increasing the number?

Admiral RICHARDSON. The 2014 update to the 2012 Force Structure Assessment (FSA) set the requirement of 40 Advanced BMD capable ships (those that can conduct both BMD and conventional air defense simultaneously). The 2016 FSA set the overall requirement of 54 Advanced and Legacy BMD ships. Through Aegis modernization and new construction, PB19 puts the Navy on trajectory to achieve the 40 Advanced BMD ship requirement by 2022 and satisfy the 54 Advanced and Legacy BMD ship requirement by the end of the FYDP. Subsequent Force Structure Assessments will continue to assess BMD requirements.

QUESTIONS SUBMITTED BY MRS. HARTZLER

Mrs. HARTZLER. What is the status of the repairs to the USS *McCain* and USS *Fitzgerald*? When can we expect the repairs to be complete and what is the status of the sailors assigned to those ships?

Admiral RICHARDSON. USS MCCAIN continues to execute her Emergent Availability in Yokosuka, Japan, with an estimated Completion Date (ECD) of 30 October 2018. Damaged hull removal and damage assessments are ongoing, all access cuts in support of equipment removal have been made. Nine tanks have been identified with structural damage which will be fixed during this availability. Ship remains in discovery phase and the anticipated cost and/or expected duration may further adjust if new issues are identified.

USS FITZGERALD continues to execute her Extended Docking Selected Restricted Availability (EDSRA) in Pascagoula, Mississippi with an ECD of 31 January 2020. Transfer to land completed on 10 February 2018. Berthing rip-out, radiological control decontamination, and starboard side paint removal are all in progress. Ship remains in discovery phase and the anticipated cost and/or expected duration may further adjust if new issues are identified.

In Fall 2017, PACFLT worked with CNSP and BUPERS to reassign all FITZGERALD Sailors (less the ~50 required for the caretaker crew) to other ships in Yokosuka if these Sailors had time remaining on sea duty per their career paths. The remaining caretaker crew flew to Pascagoula and is currently onboard the ship as repair efforts are taking place. NAVSEA will work with BUPERS and CNSP to re-man FITZGERALD in four phases in a similar manner to a new-construction ship over the remainder of the repair/maintenance/upgrade period.

No similar crew draw-down was accomplished on JOHN S MCCAIN. The crew has remained onboard, and is currently supporting repair efforts in Yokosuka. Ensuring the ship regains required FDNF-J manning targets once repairs are complete in Fall 2018 remains a key manning priority going forward.

Mrs. HARTZLER. I asked Admiral Moran a similar question during the September hearing. I take Service Academy nominations very seriously, I sometimes see both pride and concern in the eyes of the parents. Do you feel confident that I can tell these parents that their sons and daughters will be okay? That they will have the training and resources necessary to carry out the mission and that these systematic failures will be rooted out? Or are we sending these sailors into an environment where they are put into a position to fail?

Admiral RICHARDSON. I am confident that our nation’s sons and daughters are safe while serving on our Navy ships. The officers and chiefs that lead our Sailors are responsible for and take care of each Sailor, every day. Our Sailors are trained, outfitted, and led to succeed on our ships. Since September, we have been con-

ducting Ready for Sea Assessments (RFSAs) on our Pacific Fleet ships and have found motivated and well-trained crews focused on their mission, executing ship handling safely and meeting standards. Further, the Readiness Reform Oversight Council, co-chaired by Undersecretary Modly and ADM Moran, Vice Chief of Naval Operations, was established earlier this year to drive the implementation of the recommendations from the Comprehensive Review, Strategic Readiness Review, and other reports to ensure we root out those systemic failures for the long term.

Mrs. HARTZLER. I was very shocked to learn that sailors were working over 100 hours a week to keep up with current operations. What are the manning levels of Navy forces and our forward-deployed forces, specifically cruisers and destroyers? Why are our forward-deployed ships, the most alert ships in the U.S. Navy, sourced at a manning level below the Navy average? Are manning levels artificially inflated by the aircraft carrier manning?

Admiral RICHARDSON. Navy discusses manning using the terms fit and fill. The fit percentage is whether the right Sailor, with the right skills and experience, is in the right place, compared to mission requirements. The fill percentage compares the number of Sailors onboard to the number of Sailors authorized for that command. The following table reflects FIT/FILL manning levels for Forward Deployed Naval Forces, cruisers, destroyers, and aircraft carriers:

	FIT (%)	FILL (%)
Overall Navy Sea Duty Average	89	95
FDNF DDG Average (Japan & Rota)	90	96
FDNF DDG Average (Japan only)	91	97
CONUS DDG Average	90	97
FDNF CG Average (Japan—No CGs in Rota)	90	96
CONUS CG Average	91	98
FDNF CVN Average	94	97
CONUS CVN Average	88	91

1) Forward Deployed Naval Forces (FDNF) are neither manned, nor sourced, below Navy average. FDNF unit manning is prioritized above CONUS units in the US Fleet Forces Command (USFFC) Manning Control Authority—Fleet (MCAF) personnel apportionment algorithm. FDNF Cruiser and Destroyer (CRUDES) unit manning currently exceeds the Navy sea duty average.

2) While all FDNF Surface Ship requirements (Japan and Spain) are prioritized above CONUS, unplanned losses are harder to replace overseas. Overseas screening requirements place an additional limitation on Sailor assignability to FDNF units. In March 2017, Navy began increasing the quantity of Sailors proposed for FDNF to compensate for this overseas assignment limitation.

3) Aircraft carrier manning levels do not artificially inflate aggregate manning levels. Navy metrics to measure manning are Fit (rating + paygrade vs requirement) and Fill (all hands onboard vs billets authorized) and are applied to each ship individually.

QUESTIONS SUBMITTED BY MS. HANABUSA

Ms. HANABUSA. I am very concerned about the direction that the Navy is proceeding in the follow-on contract for Hawaii-based surface combatants. We have had a successful collaboration between my island-based constituents and the Navy for almost 10 years which has resulted in stability and predictability for this important industry and in readiness gains for Hawaii-based ships. During this period, the Hawaii industrial base invested in the management and skills to meet the Navy's requirements. As the Ship Repair Association of Hawaii has noted to the Naval Sea Systems Command, a Multiple Award Contract will require further investment for more management capabilities under a contract structure that does not incentivize

industry to invest and will drive additional costs into the maintenance of our ships. Why, as indicated in last week's industry day announcement, is the Navy intending to move away from a proven maintenance model for Hawaii to one that will introduce risk and instability at a time when we can ill afford to do that?

Secretary SPENCER and Admiral RICHARDSON. Beginning in Fiscal Year (FY) 2015, the Navy transitioned all Continental United States (CONUS) Private Shipyard maintenance contracts to Multiple Award Contract, Multi Order (MAC-MO) Firm Fixed Price (FFP). Navy contracting in regions outside the U.S. (i.e., Rota and Bahrain) is also FFP. Hawaii will be the last region to transition from Multi-Ship, Multi-Option (MSMO) Cost Plus (CP) to MAC-MO FFP, commencing in FY 2019.

This approach balances risk across Government and Industry while maintaining flexibility and responsiveness to the Fleet through enhanced competitive pricing. As with any contract for ship repair there are fact of life risks associated with performance. The Government will use highly trained Regional Maintenance Center personnel to administer these contracts and complete contractor oversight and quality assurance in order to mitigate risk. As we move forward, we will continue to evaluate the best maintenance model for the Navy and for Hawaii.

The Navy recognizes that Hawaii has unique geographic market factors and has engaged with the island industrial base and Pearl Harbor Naval Shipyard to understand and mitigate risks associated with this transition. Industry engagements held over the last year and market research indicates sufficient large and small business capability, capacity, and interest to support this transition. The Navy will continue to coordinate with the industrial base in Hawaii through various forums.

