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HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2019
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
SECOND SESSION
SUBCOMMITTEE ON READINESS HEARING
ON
NAVY READINESS POSTURE

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NAVY READINESS POSTURE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
Washington, DC, Tuesday, March 20, 2018.

The subcommittee met, pursuant to call, at 3:41 p.m., in Room 2118, Rayburn House Office Building, Hon. Joe Wilson (chairman of the subcommittee) presiding.

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

Mr. WILSON. Good afternoon. The Readiness Subcommittee of the House Armed Services Committee will come to order. I welcome each of you to this hearing on the posture of the U.S. Navy.

Today, the subcommittee will hear from the Chief of the Navy Reserve, the Deputy Chief of Naval Operations for Integration of Capabilities and Resources, and the Deputy Chief of Naval Operations for Operations, Plans and Strategy on how well the Navy is postured to meet the needs of this Nation, both today and in the future.

Over the past 6 months, this subcommittee has held a series of hearings to examine shortfalls, gaps, and critical challenges facing the Navy's readiness recovery. In November, Vice Admiral Shoemaker described the ongoing challenges to naval aviation. In December, Vice Admiral Lewis described the shortfalls in amphibious warfare. And through a series of hearings and briefings, the Secretary of the Navy, Chief of Naval Operations, and Vice Chief of Naval Operations helped this subcommittee understand the underlying factors that led to the tragedies aboard the USS *Fitzgerald* and the USS *John S. McCain*.

Today, the Readiness Subcommittee meets to hear how this year's President's budget [PB] intends to address remaining readiness gaps. This subcommittee will have a separate future opportunity to discuss the progress of the recommendation from the Navy's Strategic Readiness Review and Comprehensive Review recommendations.

Across the surface, expeditionary, and aviation forces, the Navy continues to struggle to maintain the material readiness necessary to train and fight. Limited spare parts, backlog in depots, and insufficient manning both afloat and ashore impede the Navy's ability to train to meet the demands of a major conflict. We welcome the witnesses' perspective on these issues and any recommendations you may have.

Before I introduce the witnesses, I am grateful to turn to the distinguished ranking member of the Readiness Subcommittee, the gentlelady from the territory of Guam, Congresswoman Madeleine Bordallo, for her opening statements.

[The prepared statement of Mr. Wilson can be found in the Appendix on page 21.]

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

Ms. BORDALLO. Thank you very much, Mr. Chairman, and thank you to our witnesses for being here today.

Last year was a very challenging year for the Navy. And I am hopeful that 2018 will be much better in terms of improving your readiness posture. While we will have an opportunity at a future hearing to discuss the status of implementing the recommendations from the Navy's Strategic Readiness Review and Comprehensive Review, today the Readiness Subcommittee is meeting to hear details of the Navy's fiscal year 2019 budget request.

So I look forward to hearing from you on the current readiness of the Navy's Active and Reserve Components, the threat and operational challenges that you face, your plans for addressing these challenges, and what this subcommittee can do to support your efforts.

At the conclusion of this hearing, I hope to better understand how the fiscal year 2019 budget request will improve the Navy's readiness, how you are prioritizing the modernization and the maintenance needs of the fleet. And as we begin to review the budget request, I am concerned about whether this budget appropriately balances near-term readiness recovery through investments in the operation and maintenance accounts with long-term readiness through procurement and modernization.

In terms of operation and maintenance spending, I note that the fiscal year 2019 request reflects only a 1.5 percent increase over the fiscal year 2018 NDAA [National Defense Authorization Act] levels, while seeking a significantly larger increase in procurement accounts. Specifically, I note that the budget materials reflect the fact that the request would only resource 92 percent of the ship and aircraft depot maintenance requirements at funding levels below what was authorized in the fiscal year 2018 NDAA.

Gentlemen, we have heard about the readiness challenges the Navy is facing through various committee hearings and briefings. We have heard about the negative impact of continuing resolutions, as well as the shortfalls that exist in spare parts, reduced training hours, and critical personnel shortages. In light of the budget deal that was reached earlier this year, I am concerned that the fiscal year 2019 budget request fails to properly resource the accounts that help address these shortfalls and enable near-term readiness recovery.

This committee wants to support your efforts to rebuild readiness and recovery from the budget uncertainty caused by sequestration and continuing resolutions. And we hope that today's hearing helps provide more details on the Navy's near-term and long-term readi-

ness recovery plans as we begin our work on the fiscal year 2019 NDAA.

So, again, welcome, gentlemen, and I look forward to your testimony. Mr. Chairman, I yield back.

Mr. WILSON. Thank you, Congresswoman Bordallo. I am pleased to recognize our witnesses today. I want to thank them for taking the time to be with us. We have Vice Admiral Luke M. McCollum, Chief of Navy Reserve, Commander, Navy Reserve Force. And we are really grateful that your wife could join us today. And indeed, we all appreciate military families and the joint opportunities and sacrifices that military families have. So thank you for being with us today.

We have Vice Admiral William “Bill” K. Lescher, the Deputy Chief of Naval Operations, Integration of Capabilities and Resources, and Vice Admiral Andrew L. “Woody” Lewis, the Deputy Chief of Naval Operations for Operations, Plans and Strategy.

Before we begin, I would like to remind our witnesses that your full written statements will be submitted for the record. We will ask that you summarize your comments to 5 minutes or less. And Vice Admiral Lescher, we will begin with you and look forward to your opening statement.

STATEMENT OF VADM WILLIAM K. LESCHER, USN, DEPUTY CHIEF OF NAVAL OPERATIONS, INTEGRATION OF CAPABILITIES AND RESOURCES, HEADQUARTERS, U.S. NAVY

Admiral LESCHER. Thank you, Mr. Chairman. Mr. Chairman and Ranking Member Bordallo, distinguished members of the Readiness Subcommittee, thank you for the opportunity to join you today to talk about this critical issue of Navy readiness.

As we start today, I do want to add our deepest condolences to the families and loved ones of the two outstanding naval aviators that we lost last week from the Blacklions of VFA-213 [Strike Fighter Squadron 213]. Their loss is a reminder of the tremendous sacrifices our men and women in uniform make in service to the Nation. They and their families are in our thoughts and prayers as we do business today.

Today we look forward to discussing with you the critically important topic of Navy readiness. And I want to start by thanking the subcommittee for your leadership in enacting the 2017 request for additional appropriations, which addressed key readiness needs last year. We are also appreciative of the legislation approving 2018 and 2019 defense funding levels that when enacted will do so much to accelerate readiness recovery and strengthen our path to increase naval power.

This 2019 budget request strongly aligns with the new National Defense Strategy, which highlights a return to great power competition and directs increased naval power and response. This budget also strongly aligns with the Secretary of Defense’s three-phase budget campaign plan, which we have talked about in prior years’ testimony, as well. That plan, as you recall, prioritized improving warfighting and readiness in 2017, addressing pressing shortfalls in the 2018 budget request, while continuing to rebuild readiness, and growing capacity and improving lethality in 2019.

As this subcommittee knows very well, our current readiness debt has accrued over a decade and a half of wartime operational tempo, Budget Control Act fiscal constraints, and 9 consecutive years of continuing resolutions, and we all understand it is going to take time, resources, and budget stability to recover that readiness.

Today, our routinely deployed and next to deploy forces remain operationally ready to respond to any challenge, and we are working very hard to restore our ability to fully surge forces in a crisis. This work requires enactment of a fiscal year 2018 budget now, 6 months into the fiscal year. Each additional delay in enacting this 2018 budget postpones our readiness recovery.

The 2019 budget will build on that enacted 2018 funding to improve the operational availability of today's ships and aircraft and to modernize them with the advanced capabilities that are key to countering the threat. The 2019 budget funds our four major readiness accounts to 100 percent of the requirement or their maximum executable levels, which I would be very happy to discuss in further testimony as we talk further today. That is the ship operations account, the flying hours account, and the aviation and ship depot maintenance accounts.

This budget also increases funding for the readiness and enabling account, such as aviation logistics, depot support, and spares. A key surge capacity enabler in this budget is the funding to increase maintenance throughput in our shipyards and our depots, by continuing to hire and train new workers, recapitalize equipment, modernize information technology infrastructure, and better balance work between public and private shipyards. And while funding for our facility sustainment, restoration, and modernization [FSRM] account is still below that required to reduce the backlog, we were able to increase investment in FSRM this year and doubled the military construction budget from 2018 to fund key projects and increased lethality and restore warfighting readiness.

Collectively, these investments are focused on driving readiness outputs, moving the readiness needle. The Navy is laser-focused on executing this funding responsibly, closely scrutinizing the spending while driving performance to plan. We are fully embracing the department-wide audit, so we can say with confidence to the American taxpayer that their hard-earned money is being spent as carefully as if it were their own. So I very much appreciate this subcommittee's role, the leadership role in sustaining focus on this readiness recovery imperative, and we look forward to working together with the committee to build an increasingly ready and lethal Navy for our enemies, supportive Navy for our allies, and a safe Navy for our sailors. Thank you, sir.

[The joint prepared statement of Admiral Lescher, Admiral Lewis, and Admiral McCollum can be found in the Appendix on page 22.]

Mr. WILSON. Thank you very much, Vice Admiral Lescher. We now proceed to Vice Admiral Lewis.

**STATEMENT OF VADM ANDREW L. LEWIS, USN, DEPUTY CHIEF
OF NAVAL OPERATIONS FOR OPERATIONS, PLANS AND
STRATEGY, HEADQUARTERS, U.S. NAVY**

Admiral LEWIS. Chairman Wilson, Ranking Member Bordallo, and distinguished members of the Readiness Subcommittee, thank you for the opportunity to testify today on the operational aspects of Navy readiness.

To start, I join with my colleague in thanking you for your efforts to pass a fiscal year 2018 appropriation and the support you provided in the fiscal year 2017 request for additional appropriations. These resources directly support the operational readiness of the fleet that you and the Nation expect.

The Navy generates readiness in order to deploy forces across the globe in support of the National Security Strategy and the National Defense Strategy. For the large majority of our forces, this means executing specified maintenance and training regimens in the United States prior to earning a certification to deploy at the Secretary of Defense's direction in support of the National Defense Strategy. When not deployed, Navy forces maintain a surge readiness to respond to contingencies.

Taking place within a 36-month cycle, this force generation model provides predictability and stability for sailors and their families, the maintenance community and industry, and also allows ships and squadrons to focus on building readiness without undue operational requirements. It also provides transparency to the Joint Staff and the combatant commanders on the number of forces the Navy can provide to the joint force on a sustainable basis. It has been very successful in meeting those objectives.

A small segment of our forces, specifically the forward deployed naval forces, homeported in Japan, Spain, and Bahrain, have used a different force generation model. Intended to maximize the operational availability and crisis response capability of these forward deployed forces, this model used a continuous certification concept which relied upon the periodic completion of unit-level training events to maintain proficiency and readiness across all mission areas.

In the aftermath of the tragic USS *Fitzgerald* and USS *John McCain* collisions, however, it became clear that due to operational pressures the Navy in the Western Pacific was sacrificing training opportunities for forward deployed naval force ships in favor of meeting operational tasking. The excessive use of waivers and mitigation plans to maintain certifications, combined with the obvious operational inadequacies demonstrated by the collisions and other incidents clearly showed that Japan-based ships were not meeting our readiness expectations.

The Navy is taking decisive action to fix this. And as previously mentioned, both the Secretary of the Navy's directed Strategic Readiness Review [SRR] and the Chief of Naval Operations directed Comprehensive Review [CR] of Surface Force Readiness made various recommendations to improve command and control and force generation practices for the forward deployed naval force.

We have begun to implement these recommendations. Specifically, we have eliminated all waivers and mitigation plans, conducted fleetwide readiness assessments, established a command in

Japan solely focused on readiness, and we are applying our standard force generation model to forward deployed naval force ships. As you would expect, these actions have reduced the operational availability of our Japan-based ships in the short run as they undergo a rigorous recertification process.

I expect to be past this initial—I expect that we will be past this initial bow wave by late spring this year. Full implementation of the new processes will take some time, but the end result will be a more ready, more capable, and more lethal Navy.

Finally, please allow me to emphasize what you just heard from Admiral Lescher. Fully funding our readiness accounts is the foundation of operational readiness. Without properly manned, trained, equipped, and maintained forces, we will always be incurring a readiness debt that will be more expensive to pay off in the long run. In this current era of renewed great power competition, we cannot afford any degradations in readiness.

On behalf of all of our sailors, civilians, and our families, I would like to thank you, the Congress and this committee, for your support. I also look forward to working with you to ensure the operational readiness of the Navy we have now and in the future the Navy the Nation needs. I look forward to your questions. Thank you.

Mr. WILSON. Thank you very much, Vice Admiral Lewis. We now proceed to Vice Admiral McCollum.

STATEMENT OF VADM LUKE M. MCCOLLUM, USN, CHIEF OF NAVY RESERVE, COMMANDER, NAVY RESERVE FORCE, HEADQUARTERS, U.S. NAVY

Admiral MCCOLLUM. Good afternoon, Mr. Chairman, Ranking Member Bordallo, and distinguished members of the subcommittee. I would like to echo my thanks in your leadership in supporting readiness being restored to the Navy. It is my privilege to testify today in the readiness of the Navy Reserve.

As part of the total force, the Navy Reserve has the responsibility to provide strategic depth and operational capability to our Active Component. Combatant commanders depend on the cost-effective and unique capabilities of the Navy Reserve and what it brings to the fight. Therefore, the Navy Reserve must be combat-ready in order to deliver operational excellence in support of a more lethal and capable total force. Your Navy Reserve has been fully integrated and engaged over the past 16 years.

Around the globe, in serving as a total force multiplier, since 9/11 alone, Navy reservists have mobilized over 81,000 times in support of the Navy and joint force. The ability to provide properly manned, trained, and equipped forces capable to sustain operations where and when needed requires predictability and funding. As we have mentioned in previous occasions, continuing resolutions and threats of shutdowns affect Reserve Component service members a little bit more uniquely than the Active side. In particular, that they train on weekends, and as an example, Navy Reserve medical readiness in itself dropped 8 percent as a direct result of the canceled drill weekend in January when the government went into shutdown.

Government shutdowns consume resources, they affect morale, and prevent us from focus on the warfighting lethality. Tomorrow will be the beginning of a big travel day for a drill weekend this weekend, and there is already obviously some anxiety in the force. Consistent stable funding is the most important step in our readiness recovery. And PB 2019 focuses on sustaining that recovery.

Navy Reserve force structure provides integration options across the globe, ranging from the mobilization of an entire unit to go to combat, to an individual sailor in support of a single exercise. Our ability to surge and respond on short notice where and when needed is a critical piece that enhances the Navy's capability and lethality.

To maintain this lethality, investment in aging Reserve Component equipment is critical to minimizing the interoperability gap between Active and Reserve Components. Should this gap widen further, it will be challenging to provide the required support to the Active Component.

Even though the challenges do exist in today's environment, I am proud of our sailors' dedication, their resilience, their morale, and their professionalism. The sacrifices made by sailors, employers, and families is immense in supporting the Navy our Nation needs. Thank you for the opportunity to appear before you today. I sincerely appreciate the support you have given to date, and I look forward to taking your questions.

Mr. WILSON. And thank you very much, Admiral McCollum. We now begin with the question by each of the subcommittee members, and we are fortunate that Margaret Dean, who is a very dedicated Navy reservist herself, will be keeping the time. And so she is very punctual, we already know.

So we will begin. Admiral McCollum, sadly we understand that most of the Navy Reserve's C-130 fleet remain grounded after the crash of the KC-130T in Leflore County, Mississippi. Amongst the Navy's unfunded priorities list is a request for NP-2000 propeller kit. How would funding this propeller restore readiness of Navy Reserve aviation? What is the impact if this remains unfunded?

Admiral MCCOLLUM. Mr. Chairman, thank you for that question. First of all, if we think about what the Navy Reserve brings to the logistics side of the Navy, Navy Reserve provides 100 percent of the inter-theater lift for the Navy. Said another way, boxes, people, crews, parts, have to be sourced and delivered around the globe.

The capability that resides in a Navy Reserve that delivers this is in the C-40 Alpha and the C-130 Tango. Those two aircraft provide that capability. Right now, we have 42 percent degradation in that capability. And that is related to the grounding of the C-130 Tangos.

The recovery aspect of this allows us in the form of this ask of the NP-2000 propeller system allows us to replace these propellers and restore readiness to these aircraft that would further allow us to continue our mission in supporting the fleet. So it is highly important that we upgrade our capability.

Mr. WILSON. And additionally, what has been the impact on your maintenance crews and then pilot hours? It just seems like it would be really catastrophic.

Admiral MCCOLLUM. The demand signal for Navy Reserve in this capacity is very high. When what we have been able to do is—while we are focused with these down aircraft, we have taken advantage of the flat hours and the accrue—because the mission continues. Our C-40s are operating at 100 percent capacity and we have vectored a lot of those mission sets to that location.

With the proposal to—and the ask to replace with this propeller system that it gives us the ability to get on pace and the timeline to restore on a steady, methodical way, and communicating that progress with our aircrew gives positive support.

Mr. WILSON. And the maintenance personnel, are they being utilized or are they—

Admiral MCCOLLUM. Absolutely. There is no shortage of need for aviation maintainers. And the one thing about the Navy Reserve is the—we are integrated with the Active Component. It does depend on which piece of the maintenance that resides, but we are an integrated force, and often you can walk into a squadron and see both Active and Reserve working together, and sometimes the demand signal is higher in one or the other. And we interchange, provided that the skill set and certifications match.

Mr. WILSON. Well, I am grateful to hear that, because the expertise of these individuals will be very difficult to replace, so best wishes.

Admiral Lescher, this year's President's budget increases procurement by 10 percent over last year's National Defense Authorization Act levels, while sustainment showed just over a 1 percent increase. It is known that the sustainment of new systems is up to 70 percent of the lifetime costs. How is the budget request ensuring that readiness recovery remains on track, while modernizing the force?

Admiral LESCHER. Yes, sir. Thank you for that question. The answer to that question is really embodied in this context of this 3-year campaign that the SECDEF [Secretary of Defense] put out in January 2017. And I alluded to that in the opening comments.

So very much the highest priority, the initial priority of the Secretary of Defense was to restore readiness. And you saw that in the fiscal year 2017 request for additional appropriations. In the 2018 bill, which the Congress has right now and we hope to see enacted by the 23rd of this week, there is growth above that level that really is in consonance with this concept of 2018 further rebuilding their readiness.

So in 2017, for example, we executed just in their four major readiness accounts that you highlighted and we talked about \$1 billion above the 2016 level. In the 2018 request, there is \$3 billion in those four readiness accounts above that 2017 level. And then to your point, the 2019 level carries that forward.

If you look even more broadly at wholeness of readiness to include personnel, equipment, supply, training, ordnance, networks and installation, that growth from 2017 to 2018 is about \$7.5 billion, and then from 2018 to 2019, it is about another just under \$4 billion.

So what has gone on is the department has very much emphasized readiness recovery in the 2017 and the 2018 bills, and now in the 2019 we are holding that level and driving that level, while

now starting to grow capacity and lethality. Part of what is also driving that choice of how to balance our portfolio is what this subcommittee understands, I know better than most, that it is not just resources, it is time. It takes time, particularly in our industrial operations and our shipyards and our fleet readiness centers, the aviation depots, to grow the naval force now to execute that higher level of capacity.

And so you have really seen an analysis of the phasing, but to be very clear, as we talked about in the opening comment, the fact that we are 6 months into the fiscal year 2018 year and still don't have that additional funding is part of what is constraining our ability to recover readiness and go forward. We are executing the first half of this year at fiscal year 2017 funding levels. So all that goodness, all that accelerated readiness recovery that is in this fiscal year 2018 bill hasn't started yet.

Mr. WILSON. Well, thank you for addressing that. And we now proceed to Congresswoman Bordallo of the territory of Guam.

Ms. BORDALLO. Thank you, Mr. Chairman. Vice Admiral Lescher, 2017 was challenging for the Navy, particularly with regard to the maintenance of the fleet. Several GAO [Government Accountability Office] reports discussed the extensive maintenance backlog for surface ships and submarines. The Navy's own Strategic Readiness Review highlighted that the constrained ship repair industrial base capacity is inadequate to meet the current demand.

Yet when asked during a HASC [House Armed Services Committee] hearing if the current depot-level ship repair capability was sufficient in the Pacific, the response contradicted the SRR findings. So I continue to be confused by the Navy's mixed message. With 60 percent of our naval fleet operating in the Pacific, is the ship repair capability sufficient or insufficient to meet the current demand?

Admiral LESCHER. Yes, ma'am, thank you. So your comments are exactly on point in terms of the ship depot maintenance backlog and the need to assertively get after growing public shipyard nuclear maintenance capacity. As part of our response to that, Vice Admiral Tom Moore, the commander of Naval Sea Systems Command [NAVSEA], authored a report that was conveyed to the committees about shipyard optimization.

It talks about a 20-year effort to grow the public shipyard capacity to get after this backlog we are seeing in nuclear maintenance. More broadly, in terms of the Western Pacific, I know Secretary Geurts testified earlier about the Navy is committed to giving a fresh look at this analysis and is complying with the NDAA reports, first of all, to do reports on the Western Pacific ship depot maintenance writ large, the requirements for capacity and capability, and then to also perform a business case analysis on courses of action to address and grow that.

So it is work that is ongoing and that we will fully, obviously, share—

Ms. BORDALLO. So—

Mr. WILSON. And, Admiral, could you adjust, everyone, their microphone a bit better for the court reporter? Thank you very much. Excuse me, mademoiselle.

Ms. BORDALLO. That took 1 minute of my time, Mr. Chairman.

[Laughter.]

Mr. WILSON. That was 5 seconds. I already measured it. Thank you.

Ms. BORDALLO. Well, Admiral, then would you say you are on the way to improving capabilities? Is that what you are—

Admiral LESCHER. We are. So, for example, in the public shipyards, in the labor accounts, we are growing to 36,100.

Ms. BORDALLO. Very good, okay.

Admiral LESCHER. And capital investment, et cetera, yes.

Ms. BORDALLO. I have a second question for any of you here. After years of concerns regarding readiness shortfalls and the impacts of sequestration, I am concerned that the fiscal year 2019 budget request may not appropriately balance long-term readiness recovery through modernization with near-term efforts through sustainment and maintenance. With regard to the fiscal year 2019 budget, how will the request support near-term readiness recovery? And are there specific areas in the O&M [operations and maintenance] accounts, such as ship or aviation depot maintenance, fleet air training, FSRM, or others, where you think additional resources could help with the readiness recovery efforts? Whichever one—

Admiral LESCHER. Yes, ma'am, I will take a stab at that. Thank you. I think the department remains very focused on near-term readiness recovery. At the same time, you also see, to the point you made in terms of procurement in fiscal year 2019 now starting to grow to a larger, more lethal Navy, as well, but the investments in near-term readiness recovery that I highlighted earlier in our big four readiness accounts, that is essentially at maximum executable levels that we—are based on absolute physical capacity constraints to execute.

Even in the enabling accounts, aviation logistics, aviation spares, depot support, they are at historic highs all in the high 90s or 100 percent. So a very strong focus on accelerating readiness recovery, but it is going to take time. It is going to take time to—in these major industrial operations, the public shipyards, the aviation depots, as we are hiring engineers, we are hiring artisans, now we have to train these new hires to get productive work out of them. And there is a big focus on that training program. We are making capital investment improvements, as well.

So I would say a strong focus from a portfolio balance perspective, heavy allocation of resources on near-term readiness, it is going to take time to move that needle, to move that output readiness metric.

Ms. BORDALLO. Thank you. Thank you, Admiral. And I yield back my remaining time, Mr. Chairman.

Mr. WILSON. Thank you, Congresswoman. We appreciate your service very much. And we now proceed to Congressman Austin Scott of Georgia.

Mr. SCOTT. [Inaudible.] I apologize, 11 special capability ships. Admiral Lewis, that is pretty much for you, I believe. Although TRANSCOM [U.S. Transportation Command] has operational control of the ships, the Navy owns the ships. These ships are required to meet the heavy and sustained logistical demands in any major conflict, and in peacetime, these ships—especially those like the *Mercy* and the *Comfort*—are essential to meeting humanitarian as-

sistance and disaster relief efforts of both our Nation and our allies, and even at times people that are our adversaries.

If these ships are not funded, how will the Navy's warships be refueled? How will they be rearmed? How will they be resupplied with food? And how will we be able to support the casualties during a major conflict?

Admiral LEWIS. I am actually going to yield this to Admiral Lescher. I think he is better suited to answer that question.

Mr. SCOTT. All right.

Admiral LESCHER. Yes, sir. Let me take a stab at that, in terms of articulating how the department is addressing that urgent need that you highlighted. So 75 of these ships total, of the sealift ships, 10 of them special capabilities you highlight, and the department has articulated a three-phase approach to address that, starting with service life extensions.

So in this budget, this fiscal year 2019 budget, there is funding across the 5-year program to do service life extensions on 21 of those ships. The second element of addressing that need is to—with the authorities we received from the Congress, which we are very much appreciative of, to buy used ships, so starting in fiscal year 2020 and fiscal year 2021 we will buy one each year of a used ship. And then we are—looking at recapitalizing those ships, as well.

So in fiscal year 2019 and 2020, there is R&D [research and development] funding for a common hull replacement for those ships that will do the design work that will lead us to do a recapitalization of that fleet, as well. So across service life extension, procuring used ships as a bridge, and then building new ships with the R&D we are doing on a common hull replacement, that is how the department's attacking that requirement.

Mr. SCOTT. So one of the things that I am concerned about is, you know, just as we talked about this week, we had a budget deal. Now we are having difficulty getting to the final language in an appropriations measure.

We had, I think, hoped to be done by last week. We are still going this year. And so you have got a budget number for 2018 and 2019. The dispute right now in the appropriation measures is not over the funding of the military. But as you look out to 2020, 2021, 2022, what do you see as far as the budget for the Navy? What are you making plans for?

Admiral LESCHER. So, sir, the Secretary of Defense has been—provided some strong guidance on this. Secretary of the Navy, as well, has testified to the fact that clearly as we grow to the larger, more lethal Navy, additional resources will be required, and we are going to look to develop those through reform. We are bringing a strong effort and across the board on not only executing new funds, but executing them in a more productive, a more effective, a more efficient way, with strong accountability.

In this PB 2019 budget, for example, in fiscal year 2019, the Navy has \$1 billion of reform from prior years that were generated and was actually allocated to buy readiness, to buy platforms. Across the 5-year program, Navy has about \$4 billion of reform. So we are looking strongly at that. You know, the SECNAV [Secretary of the Navy], DEPSECDEF [Deputy Secretary of Defense] both

bring a very strong view on performance to plan that is helping us get after that. So there is work to be done.

Clearly, I would also highlight in the context of what you say, *Columbia* recapitalization outside the FYDP [Future Years Defense Program] is something that is going to require substantially higher levels of Ship Construction, Navy funding. So it is work for us to get after to talk about with the department, but through a combination of reform and other relief to get after that.

Mr. SCOTT. I am glad to hear that. And I think it would be wise for—and I have heard General Mattis say the same thing—give us the 715 for 2019 and we will—the additions for 2020 and 2021, into the future, we will find the reforms to help pay for that. And I think that that is wise advice to those of you in those positions. I think it is probably unlikely that you see additional increases in 2019, 2020 and 2021.

And with that, I yield the remainder of my time.

Mr. WILSON. Thank you very much, Congressman Scott. We now proceed to Congressman Joe Courtney of Connecticut.

Mr. COURTNEY. Thank you, Mr. Chairman, and thank you to the witnesses for your testimony here today.

I would like to follow up Ms. Bordallo's questions regarding the ship maintenance challenge, which is a big one for readiness, obviously. First of all, you know, Admiral Lescher, I think there is unanimous support on the committee to, you know, go back and really update and modernize our public shipyards. You know, clearly, I think it is like the 1900s or it is since then—a lot of the work has been done there. But that is going to take some time. I mean, by I think your own testimony was about 20 years' process that Admiral Moore is proposing.

You know, in the meantime, you know, we have got a situation right now where between carriers and SSBNs [ballistic missile submarines], I mean, they kind of are just using up all the bandwidth at the public yards. And the attack subs have really been the poor cousins who—*Boise* and the *Albany* are, you know, the sort of poster childs for delays. But there is more than that, in terms of—the *Connecticut* took twice as long through its repair availability as was original seen. At the same time, we have combatant commanders who are testifying before our committee that they can't meet even half the requirements that they have out there.

So we just had a hearing with Assistant Secretary Geurts and Admiral Jabaley, again, talking about some of the workforce issues as we sort of ramp up on *Columbia* and *Virginia* in the private yards, where there certainly are some industrial capacity for helping with the repair availabilities. Admiral McCoy, when he was the head of NAVSEA a number of years ago, you know, always talked about sort of the one shipyard mentality, which is that, you know, he really didn't make a distinction necessarily between public and private yards.

If the work was there, you know, we want to keep metal tradesmen and welders and electricians, you know, from sort of drifting off into other opportunities. So I guess, you know, in terms of looking at the short-term challenge, particularly for the SSN [attack submarine] fleet, I mean, what is your sort of take on the one ship-

yard mentality as a solution, which, again, is going to actually help us, you know, hit those production targets that we need to hit?

Admiral LESCHER. Yes, exactly. And I think you see that essentially we have embraced that, as you highlighted with the SSNs that are in private shipyards right now. So, as you know, we have three of them already in work, between HII [Huntington Ingalls Industries] and Electric Boat, and a fourth, the *Boise* scheduled to start in fiscal year 2019.

So—and that is absolute good behavior and good practice for all the reasons you cited. You know, I would say before we understood that well, you would see a behavior of us loading our public shipyards beyond their capacity. And so that is what led to across the board slowing down all the availabilities, loss of critical chain discipline, and so we recognize—and, really, *Boise*, I would say, was a classic example of—in the execution year the leadership said, hey, let's recognize we simply don't have the capacity to execute that. And then let's—essentially with the concept you described—look to push that workload, that availability—that specific availability to a private shipyard.

So I think that is proper practice, but I also think that we want to fully load our public shipyards, after making all those investments. I know Naval Reactors in particular is looking at the issue, as we lead turn going into *Columbia* procurement, to make sure the contractors are able to have the workforce trained and ready to execute that. So I think thoughtful analysis is being done on that, and then the broader question, I think the proof is really in our execution, where we are subscribing to that concept.

Mr. COURTNEY. No, and I think you are right. I mean, once that production really hits in around 2020, 2021, I mean, there is going to be a wall of production work that is going to make repair availabilities probably pretty hard to sort of squeeze in there. On the other hand, the public yards are going to have this new service life extension program, you know, for the subs with the—you know, upgrading the reactors.

So I think basically you are in a position, along with Admiral Moore, of trying to be the air traffic controller to try to make sure, you know, this work sort of all sort of fits in, and the combatant commanders get with—

Admiral LESCHER. So that will be capacity—you know, analysis of capacity at all those locations and just best practices, driving discipline into our process, but really an honesty, as well, in terms of where the capacity is and then allocating the workload to that capacity.

Mr. COURTNEY. Great. And one last question for Admiral McCollum. Again, Mr. Wilson asked about the Navy C-130s. And again, the new propellers—you mentioned, again, that was not in the 2019 budget. Assuming, you know, we were able through our subcommittee and the appropriators [to] find the resources, I mean, would that accelerate the process of getting these plans back up in the air?

Admiral MCCOLLUM. Well, certainly, because it would instill confidence in our strategy, in our planning assumptions, absolutely. Right now, we are estimating 12 to 18 months, and the fleet needs it sooner.

Mr. COURTNEY. Great. And so the propellers, though—I mean, as a process, would be able to be installed quicker than the sanding down and the—you know, the refurbishment of the old ones? Is that the—

Admiral MCCOLLUM. We would make progress on that timeline. It does—it is a precision exercise to do that, as you just articulated. But it would definitely help.

Mr. COURTNEY. Great. Thank you. Just wanted to get that on the record. Thank you, Mr. Chairman, for a few extra seconds.

Mr. WILSON. Here, here. And thank you, Congressman Courtney. We now proceed to Congressman Ro Khanna of California.

Mr. KHANNA. Thank you, Mr. Chairman. Thank you for your service to our country.

I just have one question. You mentioned that you would like to bring up the Navy's structural force from 308 ships to 355 ships from 2014 to 2016. And I was curious what the reasons for the additional ships are, what they will be used for, and how they serve our national interest.

Admiral LESCHER. Yes, sir, thank you. I will take a stab at that. The foundational analysis for the 355 ships was a force structure assessment that the department did in 2016, so the force structure assessment looked at the combatant commander command to execute the strategy and then, based on that, integrated what that would require.

I don't recall what the initial number was. It was substantially north of 355. And then the department accepted risk to that execution, said we are going to allocate risk in certain theaters that lessen the requirement and come to a fiscally informed moderate risk force of 355. Beyond that force structure assessment, the Congress directed the department to execute future fleet architecture studies. So MITRE Corporation, Center for Strategy—CSBA, Center for Strategic and Budgetary [Assessments], and an internal Navy team, each did an independent look, also in the context, looking forward of the security environment going forward.

And each of those approaches also showed the need for a substantially larger Navy, each with a different number, but substantially larger than 308. So that is the context, strategically informed, execute the strategy, execute the combatant commanders' requirements to set their theater and execute their OPLANs [operation plans] is what drove that number.

Mr. KHANNA. Thank you, Mr. Chairman.

Mr. WILSON. Thank you very much. We now—our concluding person participating, somebody we know and love, Congresswoman Elise Stefanik of New York.

Ms. STEFANIK. Thank you, Chairman Wilson. A traditional strength of the Reserve force has been the ability to leverage civilian skills which strengthen subject matter expertise across the naval enterprise. And in May 2016 during a joint hearing with the Committee on Seapower and Projection Forces and this Subcommittee on Readiness, the commanding officer of Naval Construction Group Two testified that only 30 percent of today's Reserve force enters with equivalent civilian experience compared to historically over 70 percent.

How are you addressing these gaps in training and subject matter expertise in our Reserve sailors?

Admiral MCCOLLUM. Congresswoman, thank you for that question. I will tell you, not a day goes by that I don't get a request of a unique civilian skill set to serve our Navy, the full spectrum, the skill sets you just outlined, as well as things like additive manufacturing, data science, artificial intelligence. This is why I am so proud to lead the Reserve force with their unique civilian skills that they do.

I am in a close partnership with the Chief of Navy Personnel, and we continually talk about permeability, meaning said another way, the ability for somebody in the Reserve force to surge and be part of the Active force, somebody on the Active force to be on the Reserve force. And we continue to work with the authorities that Congress has given us to support this.

Additional authorities and discussions related to this, with DOPMA [Defense Officer Personnel Management Act] and ROPMA [Reserve Officer Personnel Management Act] reform and so forth, allow us to toggle, so to speak, before—between the two environments of the—what is mandated legislatively for Active and Reserve end strength.

With regard to the focus, the laser focus on civilian skill set, we are launching this spring a requirement of our Navy Reserve sailors to be more detailed in their—in how they enter in a data reserve skill set database. We have given them the means and the communications we are just rolling out.

This will at least allow us to have a repository of the reservists in their current skill sets. When we look at accessions, we have now been looking at the two ways we access. One is direct accessions with no prior service and accessions with prior service.

In the Seabee area, the Construction Battalion force, we recognize that there are construction mechanics, there are individuals on the street doing this type of work that we need in our Navy Reserve. And we are in active discussions on how we lever those strengths and cross-rate those civilian qualifications, how they might merit the qualification that the Navy has. So we are very open, and we have just got to get our certifications right, and how we recognize that, but we are all in on civilian skills.

Ms. STEFANIK. Thank you for that. My last question relates to testimony a year ago in March of 2017 where it was stated, quote, To characterize where we are today, we would say it is the tale of two navies. The Navy's deployed units are operationally ready to respond to any challenge. Unfortunately, the status of units in installations back home in the United States paint a different picture. The strain is significant and growing. Do you still feel today, a year later, that it is the tale of two navies? And have you seen any positive change when it comes to the strain placed on the units and installations back at home?

Admiral LESCHER. Ma'am, I would say it still is a tale of two navies, absolutely. And the reason is because we haven't received the additional funding that was requested in the fiscal year 2018 bill. So as I alluded to earlier, we are still executing at that fiscal year 2017 level of funding.

Now, there has been absolutely goodness that has occurred and progress is being made. And again, the fiscal year 2017 request for additional appropriations was key to enabling ships to sail, pilots to fly, and critical shore infrastructure maintenance to take place. But to get traction, to accelerate readiness, to really start driving these output needles, we need the fiscal year 2018 bill enacted, and then this fiscal year 2019 bill will build on that, build on that progress we make.

This concept earlier about it is a combination of resources and time that will really enable us, particularly in our industrial operations, the public shipyards, the fleet readiness centers, to drive that improvement, to hire the additional labor, to make the capital investment to drive the throughput increase that will really get us traction, as well as the increased funding for facility sustainment, restoration, and modernization in this 2018 bill. So a lot of goodness in the bill when enacted. We are absolutely positioned right now to move forward when that bill is enacted.

Ms. STEFANIK. Thank you for that. I yield back.

Mr. WILSON. And thank you, Congresswoman Stefanik. As we conclude, I want to thank Commander Margaret Dean for her service, Tom Hawley. We have got professional staff that are doing such a great service. And we also will be providing questions for the record on readiness accounts. If there is no further business, we are adjourned.

[Whereupon, at 4:29 p.m., the subcommittee was adjourned.]

A P P E N D I X

MARCH 20, 2018

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 20, 2018

Statement of the Honorable Joe Wilson
Chairman, Readiness Subcommittee
“Navy Readiness Posture”
March 20, 2018

Good afternoon. The Readiness Subcommittee of the House Armed Services Committee will come to order. I welcome each of you to this hearing of the on the posture of the U.S. Navy.

Today the subcommittee will hear from the Chief of the Navy Reserve, the Deputy Chief of Naval Operations for Integration of Capabilities and Resources, and the Deputy Chief of Naval Operations for Operations, Plans, and Strategy on how well the Navy is postured to meet the needs of this nation both today and in the future.

Over the past six months, this subcommittee has held a series of hearings to examine shortfalls, gaps, and critical challenges facing the Navy’s readiness recovery. In November, Vice Admiral Shoemaker described the ongoing challenges to Naval Aviation, in December, Vice Admiral Lewis described the shortfalls in amphibious warfare, and through a series of hearings and briefings the Secretary of the Navy, Chief of Naval Operations, and Vice Chief of Naval Operations helped this subcommittee understand the underlying factors that led to the tragedies aboard the USS Fitzgerald and USS John S. McCain.

Today the readiness subcommittee meets to hear how this year’s President’s Budget intends to address remaining readiness gaps. This subcommittee will have a separate future opportunity to discuss the progress of recommendations from the Navy’s Strategic Readiness Review and Comprehensive Review recommendations.

Across the surface, expeditionary, and aviation forces, the Navy continues to struggle to maintain the material readiness necessary to train and fight. Limited spare parts, backlog in depots, and insufficient manning both afloat and ashore impede the Navy’s ability to train to meet the demands of a major conflict. We welcome the witnesses’ perspective on these issues and any recommendations they may have.

Before I introduce the witnesses, I turn to the distinguished Ranking Member of the Readiness Subcommittee, the gentlelady from Guam, Madeleine Bordallo, for her opening comments.

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

STATEMENT OF

VICE ADMIRAL LUKE M. MCCOLLUM
CHIEF OF NAVY RESERVE
COMMANDER, NAVY RESERVE FORCE

AND

VICE ADMIRAL WILLIAM K. LESCHER
DEPUTY CHIEF OF NAVAL OPERATIONS FOR
INTEGRATION OF CAPABILITIES AND RESOURCES

AND

VICE ADMIRAL ANDREW L. LEWIS
DEPUTY CHIEF OF NAVAL OPERATIONS FOR
OPERATIONS, PLANS AND STRATEGY
BEFORE THE

SUBCOMMITTEE ON READINESS OF THE
HOUSE ARMED SERVICES COMMITTEE

ON

U.S. NAVY READINESS

MARCH 20, 2018

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON READINESS

Mr. Chairman, Ranking Member Bordallo, and distinguished members of the readiness subcommittee, we appreciate the opportunity to testify on the current state of Navy readiness, progress we have made over the past year, and challenges we face today and can expect in the future.

Foremost, we want to recognize and thank Congress for the additional \$2.8 billion dollars received in the FY17 Request for Additional Appropriations (RAA). This important and timely injection of funding helped to arrest further decline in readiness and prevent additional backlogs in surface ship and aviation maintenance. We are equally grateful to Congress for its continued support through the FY18 budget, once enacted, along with the recently passed two-year Bipartisan Budget Agreement. These funds will enable the Navy to continue to address pressing readiness shortfalls, and move aggressively and in a upward trajectory toward full readiness recovery.

Before we discuss Navy's readiness challenges and our plans to address them, it is important to understand our current situation. Our testimony today comes at a critical time in our Navy's history, as we face a dynamic and changing maritime environment. The return to great power competition discussed in the National Defense Strategy and the imperative of confronting challenges head-on to compete, deter and win will require a larger, more lethal, and ready Navy—the Navy the Nation Needs. In this strategic environment, the demand for naval forces will only continue to grow, but the approach to meeting this demand must be balanced across all dimensions of Naval power. The

force today is stressed from more than a decade of wartime demands exceeding capacity in an era of declining force structure, which drove operational tempo to unsustainable levels. On top of this, Budget Control Act (BCA) funding caps, years of Continuing Resolutions, and budget uncertainty challenged the ability of the Navy to adequately address the full range of needed investments while meeting near term commitments.

During this time, where the Navy was forced to make trades between readiness, modernization and force structure, we prioritized funding for deployed naval forces first, at the expense of our surge forces, training, and shore infrastructure. We did not have enough aircraft ready to fly or enough time at sea for our non-deployed ships and crews to train and hone their skills. Ship and aircraft maintenance periods were either delayed or cancelled, and shore infrastructure was degraded as resources went to fund immediate readiness needs. Our shipyards and aviation depots struggled to deliver ships and aircraft on time, which in turn impacted Sailors' training time prior to deployment. These challenges were further aggravated by shortages of parts and availability of spares. While our deployed forces were and continue to be ready, our bench—approximately one third of our naval forces—remained thin. Overall, readiness had dropped to its lowest level in many years.

Our attempts to restore stability and predictability to our deployment cycles have been challenged both by constrained and uncertain funding levels and by operational

demands. The pace of operations has increased wear and tear on ships, aircraft and crews, and decreased the time available for maintenance, modernization and training. Fleet maintenance and training plans have begun to have a positive effect, especially in meeting CNO-targeted seven month deployment lengths, but readiness recovery will take a long-term commitment of resources, predictable funding and time. Funding is needed to ensure our pilots have ready aircraft and are getting the flying hours they need to remain proficient, throughout the sustainment phase, not simply ramping up just prior to deployment. Similarly, our Sailors serving at sea must have quality training opportunities at-sea throughout their basic and integrated phases to remain proficient.

We are on the path to recovery. The FY17 RAA funds enabled the Navy to execute deployments, sustain surge forces, execute 13 additional ship depot maintenance availabilities, increase aviation depot throughput with 35 additional airframes, increase our investment in ship and aircraft spares, and fund key shore infrastructure projects supporting operations. Once enacted, the FY18 appropriations bill, along with additional relief enabled by the BBA, will be a significant step toward readiness recovery. In our FY 18 budget submission we deliberately prioritized and invested in improving readiness and wholeness of our current fleet by funding every readiness account at or above FY17 levels. Ship operations, ship and aircraft depot maintenance and flying hours, the Navy's "big 4" readiness accounts and the major drivers for force availability and operations, were all funded to 100% of the requirement or maximum

executable levels. Our supporting or “enabling” readiness accounts were funded to maximum executable levels. Shore readiness accounts were funded higher than FY17 levels, addressing the most mission-critical infrastructure deficiencies. The budget enhancement enabled by the BBA created substantial opportunities to accelerate readiness in certain areas. Once enacted along with the FY18 budget, the budget enhancement will add ships and aircraft to meet global demand, as well as invest in ship depot maintenance, aviation logistics, air systems support, increased funding for aviation spares, critical munitions, and funding for facilities sustainment to improve living, training and working conditions.

Given the nearly six-month CR, the Navy will have to work hard and execute with strong discipline to obligate all the funding provided in FY18. Operation and Maintenance account flexibilities that are under consideration will be key to ensure the most efficient and effective use of taxpayers’ dollars.

We must continue to build from FY18. The most effective means to do this is to enact the FY19 President’s Budget by the start of the fiscal year. The FY19 budget submission continues to build on the foundation of FY17 and PB18, addressing the stressors on the fleet and force, making major strides in buying down the readiness debt and setting the course for the goal of full readiness recovery, characterized by the operational availability of Carrier Strike Groups at required levels. PB19 is a balanced budget. We are laser focused on continuing readiness recovery while simultaneously investing in

modernization, increased capacity, people, training, lethality and improvements in infrastructure that are necessary to maximize naval power. In our FY19 submission we took a comprehensive approach to readiness recovery, with deliberate and informed investments across the Navy's seven readiness pillars: Personnel; Equipment; Supply; Training; Ordnance; Networks; and Infrastructure.

Personnel Readiness is improved by adding 7500 billets to address gaps at sea to an active endstrength level in FY19 of 335,400 active personnel and 59,100 reserve personnel, as well as growing the Civilian workforce at shipyards and fleet readiness centers to improve shipyard performance and support new ships entering the battle force. The FY19 request includes provisions to complete ongoing efforts to hire and train new public shipyard workers to bring the total workforce at the four shipyards from 34,918 in FY17 to 36,100 by FY20. The increased numbers of personnel will help to increase the throughput of aircraft and components, and reduce public shipyard maintenance delays, getting ships back to the fleet on time. This will give time back to the ships' crews to take full advantage of the basic and integrated phases to train and certify prior to deployment.

The "big 4" readiness accounts critical to Equipment readiness were again funded to 100% of the requirement or maximum executable levels. The FY19 request funds 57 ship maintenance availabilities across the public and private shipyards and ship operations to 100% of the requirement (58 underway days per quarter deployed and 24 underway

days per quarter when not deployed) to ensure ships and crews get the dedicated time at sea to train and hone skills. Aircraft depot maintenance, at \$1.5 billion, includes the induction of 652 airframes and 1,887 engines. This is the maximum executable level and an improvement from FY18.

Aviation spares are funded above historical levels to reduce repair part shortages and improve the range and depth of afloat spare parts in line with our intended operational availability. Collectively and over time, these investments will result in more mission capable aircraft. Similarly, we made a substantial investment of \$3.7 billion in munitions in the FY19 budget request (\$144 million more than requested in FY18) to provide our operational forces with the inventory they need to execute potential operational requirements. As noted, the earlier in the Fiscal Year the funding is available, the sooner we can execute contracts to enable these improvements.

Shore readiness accounts are improved over FY18 levels and continue to prioritize mission-critical deficiencies in our infrastructure. The FY19 budget request continues to exceed the statutory minimum funding requirement to modernize and improve the efficiency of our public Naval shipyards. The FY19 budget includes \$685 million of investment in our public shipyards. \$2.1 billion is invested for Facility Sustainment, Restoration and Modernization across the Navy, and when combined with \$1.9 billion for Military Construction (MILCON) (\$1 billion more than requested in FY18), will begin to reverse backlogs. It will enable the Navy to better manage and maintain existing

facilities, especially drydocks, and ensure shipyard capability and capacity to support warfighting missions.

As the Navy executes readiness recovery, and begins to grow capacity to provide the Navy the Nation Needs, our industry partners must grow capacity in stride. We are as dependent on their capabilities and capacity as we are on the public depots. We know from hard experience that workload to capacity mismatch creates delays in maintenance completion, increasing costs and reducing time for training and operations. As we look to the future, we see the potential for these conditions to exist.

The FY19 budget also improves readiness by funding recommendations in our recent Comprehensive and Strategic Readiness Reviews. The FY19 budget includes \$79 million in FY19 and \$600 million across the FYDP to address training, manning and equipment issues and recommendations identified in the reviews. Key investments include bridge system integration, shore simulators and Automated Information System (AIS) improvements. We have established a Readiness Reform Oversight Council to oversee not only implementation of the recommended actions, but also the ongoing impact of these actions to ensure they achieve their desired results now and in the future. Naval forces will continue to deploy from the United States fully certified to execute all assigned missions. This is the standard we have set, and will not deploy a ship that is not ready. Within our Forward Deployed Naval Forces, we have put new controls and organizations in place to prevent operational commanders from sacrificing training and

maintenance events, which rebuild readiness, in order to conduct operations. We are monitoring the effectiveness of these efforts closely.

Complementing the readiness recovery of the active component, we are equally focused on the readiness of the Navy Reserve—an integrated force multiplier to the active component. Navy Reserve Sailors are in high demand to deliver enhanced critical capabilities, fill manning gaps, and deploy worldwide in support of Global Force management requirements. In any given week, nearly 20 percent of the Navy Reserve is delivering operational support to the Navy and Joint Force across the globe. Due to this tight integration with the active component, Navy Reserve's solutions to improve readiness are congruent to those of Navy's total force.

While the Navy Reserve continues to answer the demand to fill Combatant Commander requirements by deploying Reservists forward, maintaining high levels of personnel readiness on the home front has become increasingly difficult. Since the enactment of the Budget Control Act of 2011, Navy Reserve's operational support budgets have decreased 34 percent as a result of tough budgetary choices to meet mandated budget caps. Consequently, while the Reserve's individual mobilization readiness levels remain high, meeting our nation's strategic requirement, our operational training and readiness cannot be maintained at the level desired by the active component fleet units which the Reserve force supports. Reservists continue to volunteer to serve at a remarkable rate, yet they are often underserved by the limited resources available for them to receive

the training that they require in order to achieve a readiness level beyond strategic reserve requirements. Continuing resolutions and government shutdowns also weigh heavily on readiness and force morale across the Navy Reserve, introducing chaotic variables into readiness building strategies. In turn, this affects the ability to deliver a highly trained, experienced, ready Sailor or support unit to the Combatant Commander. Since 2001, the Navy Reserve has acted as a significant portion of the Navy's heavily stressed operational "bench" and "depth" as the demand for naval forces grows. Consistent, predictable resources in the Reserve Personnel, Navy account is the best way to build and retain personal readiness as we endeavor to move beyond personal and unit readiness, toward force wholeness.

Navy Reserve equipment is also experiencing the same readiness challenges faced by the active component. Our integrated force structure depends on Navy Reserve's ability to rapidly and seamlessly assimilate with our active component counterparts in executing the mission. To do this, Navy Reserve depends on the availability of modern, compatible equipment. As the Navy continues to prioritize investments in advanced aircraft, weapons systems and equipment, the Total Force must ensure that Reserve procurement is likewise adequately resourced in those accounts as well. Carrier air wings cannot deploy without complex air-to-air training. The primary mission of the Navy Reserve's four adversary squadrons is to provide this capability to the active fleet. Numerous rotational and expeditionary forces rely on the transportation of personnel

and cargo into austere locations provided by the Fleet Logistics support wing. These are examples of critical reserve capabilities in danger of future obsolescence without recapitalization resources. Such an effort will ensure our forces maintain the highest levels of safety, interoperability, and readiness.

In support of the Reserve Force, PB19 provides funding for increased flying hours, provides additional manpower to support transition from legacy to new aircraft and support for fleet operational requirements. Where increases were made to the active readiness accounts, corresponding increases were made for the Navy Reserve. PB19 also provided funding to recapitalize the legacy KC-130T aircraft. PB19 provides three KC-130J aircraft in FY23 to be procured within the DoD Multiyear Procurement (MYP) III contract (FY19-23), as a critical part of the Navy Unique Fleet Essential Airlift (NUFEA) mission executed by Navy Reserve squadrons.

Funding alone will not ensure readiness recovery. Assessing our progress is critical to the recovery and necessary to make programmatic adjustments in future budgets. Our investments are focused on output and moving the readiness needle. To do this, it is essential that we sustain the gains made last year with the FY17 funds. The FY17 funding addressed vital warfighting readiness shortfalls, a necessary investment to ensure our Navy is ready to fight today. The FY18 budget submission, enhanced by the BBA funding provides the Navy the necessary funding to continue to restore force readiness, and in some areas accelerate the pace of recovery. The PB19 request

continues to build on the readiness and wholeness commitments made in the two previous budget requests, placing the Navy on the right vector toward a more capable and lethal force. Our Navy is extraordinarily capable today and will become more capable in the future, but recovering readiness will take time and investments must be properly balanced across all the dimensions of Naval power. To ensure responsible use of appropriated funding, we will fund readiness to executable levels and demonstrate our ability to perform to prescribed plans.

In the competitive environment we face now and in the future, we must increase naval power in a balanced approach to meet our national strategic objectives. Halting the decline in readiness and getting on the path to full readiness recovery is a key component of this balanced approach. We are grateful to this committee and to your colleagues in the Congress for starting this important work, ensuring adequate funding is in place so that our ships, aircraft, Sailors and aviators, active and reserve get out to sea where they can build upon material readiness, at-sea training and operational experience. We look forward to working with you to build the Navy the Nation Needs -- a lethal Navy for our enemies, a supportive Navy for our allies and partners, and a safe Navy for our Sailors.

Vice Admiral Luke M. McCollum
Chief of Navy Reserve
Commander, Navy Reserve Force

Vice Adm. Luke McCollum is a native of Stephenville, Texas, and is the son of a WWII veteran. He is a 1983 graduate of the U.S. Naval Academy and is a designated surface warfare officer. McCollum holds a Master of Science in Computer Systems Management from the University of Maryland, University College and is also a graduate of Capstone, the Armed Forces Staff College Advanced Joint Professional Military Education curriculum and the Royal Australian Naval Staff College in Sydney.

At sea, McCollum served on USS Blue Ridge (LCC 19), USS Kinkaid (DD 965) and USS Valley Forge (CG 50), with deployments to the Western Pacific, Indian Ocean, Arabian Gulf and operations off South America. Ashore, he served in the Pentagon as naval aide to the 23rd chief of naval operations (CNO).

In 1993 McCollum accepted a commission in the Navy Reserve where he has since served in support of Navy and joint forces worldwide. He has commanded reserve units with U.S. Fleet Forces Command, Military Sealift Command and Naval Coastal Warfare. From 2008 to 2009, he commanded Maritime Expeditionary Squadron (MSRON) 1 and Combined Task Group 56.5 in support of Operation Iraqi Freedom. He also served as the Navy Emergency Preparedness liaison officer (NEPLO) for the state of Arkansas.

As a flag officer, McCollum has served as reserve deputy commander, Naval Surface Force, U.S. Pacific Fleet; vice commander, Naval Forces, Central Command, Manama, Bahrain; Reserve deputy director, Maritime Headquarters, U.S. Fleet Forces Command; and deputy commander, Navy Expeditionary Combat Command.

McCollum became the 14th chief of Navy Reserve in September 2016. As commander, Navy Reserve Force, he leads approximately 60,000 Reserve Component personnel who support the Navy, Marine Corps and joint force.

He is the recipient of various personal decorations and campaign medals and has had the distinct honor of serving with shipmates and on teams who were awarded the Joint Meritorious Unit Award, the Navy Unit Commendation, the Meritorious Unit Award and the Navy "E" Ribbon.

Vice Admiral William K. Lescher
Deputy Chief of Naval Operations,
Integration of Capabilities and Resources

A native of Highland Park, Illinois, Vice Adm. Bill Lescher holds systems and aeronautical engineering degrees from the Naval Academy and Naval Postgraduate School/Test Pilot School Cooperative program respectively and a Master of Business Administration from the Harvard Business School.

Lescher commanded the Vipers of Helicopter Anti-Submarine Light (HSL) Squadron 48, the HSL-40 Airwolves and the Atlantic Fleet Helicopter Maritime Strike Wing. Between command of the Vipers and Airwolves, he was executive officer of Mine Countermeasures Command and Control Ship USS Inchon (MCS 12). As a flag officer, he commanded Expeditionary Strike Group 5/Task Forces 51/59 in Bahrain, leading the Iwo Jima Amphibious Ready Group (ARG)/24th Marine Expeditionary Unit (MEU); Peleliu ARG/15 MEU; Kearsarge ARG/26 MEU and the afloat forward staging base USS Ponce (AFSB(I)-15) in execution of multiple contingency response and counter-terrorism missions and theater security cooperation exercises spanning the Naval Forces Central Command region. Lescher's initial operational tours were with the Lamplighters and Swampfoxes of HSL-36 and 44, deploying primarily to the Middle East/Central Command region aboard USS O'Bannon (DD 987), USS Clark (FFG 11), USS Capodanno (FF 1068) and USS Elrod (FFG 55). Ashore, his assignments included leading the SH-60B Sea Hawk developmental test team as an engineering test pilot at the Naval Air Warfare Center, where he launched the first guided missiles from a Navy helicopter; head programmer in the Office of the Chief of Naval Operations Space, Command, and Control and Information Warfare Directorate; acting director of the Office of the Under Secretary of Defense Comptroller Budget and Appropriations Affairs Directorate; head of the Joint Staff Quadrennial Defense Review Office; and Joint Staff Program and Budget Analysis Division chief. Shore flag assignments include director, operations division, Department of the Navy Budget Office; Joint Staff deputy director for resources and acquisition; and deputy assistant secretary of the Navy for budget.

Lescher graduated with distinction from fixed wing, rotary wing and Naval Test Pilot School training. He has been recognized as the Association of Naval Aviation's HSL Pilot of the Year, the Naval Helicopter Association's Regional Pilot of the Year and the Naval Air Warfare Center's Rotary Wing Test Pilot of the Year. The units in which he has served have earned the Joint Meritorious Unit Award, Navy Unit Commendation, Navy Meritorious Unit Commendation, Navy "E" Ribbons and Theodore Ellyson award.

Vice Admiral Andrew L. “Woody” Lewis
Deputy Chief of Naval Operations for Operations, Plans and Strategy (N3/N5)

Vice Adm. Andrew Lewis is a native of Los Altos, California, and a 1985 graduate of the U.S. Naval Academy. He was designated a naval aviator in April 1987. He is a graduate of Air Command and Staff College, the Armed Forces Staff College and holds a Master of Arts in Military History from the University of Alabama. His command tours include Carrier Strike Group 12 deploying with USS Theodore Roosevelt (CVN 71), Naval Strike and Air Warfare Center aboard Naval Air Station Fallon, Carrier Air Wing 3 deploying with USS Harry S. Truman (CVN 75), Strike Fighter Squadron (VFA) 106 aboard Naval Air Station Oceana and VFA-15 deploying on USS Enterprise (CVN 65) and USS Theodore Roosevelt (CVN 71). Lewis’ operational sea tours include a division officer tour for Attack Squadron 72 deploying with USS John F Kennedy (CVN 67), as an exchange pilot/tactics instructor for 800 Naval Air Squadron deploying with HMS Invincible (R05) and as a department head for VFA-192 deploying with USS Independence (CV 62). Other deployed tours have been as a battle director at the Combined Air Operations Center in Al Udeid Air Base, Qatar, and as the maritime operations center director at Naval Forces Central Command Bahrain.

Ashore, Lewis served as an instructor pilot in Air Training Squadron 23, as a branch chief at the Joint Warfare Analysis Center as the executive assistant to the chief of Naval Air Force, and as the executive assistant for the director, Joint Staff. As a flag officer, Lewis has served as the vice director for operations (J3) and director of fleet training (N7) at Fleet Forces Command.

He has flown over 100 combat missions in Operations Desert Shield, Desert Storm, Southern Watch, Deny Flight, Enduring Freedom and Iraqi Freedom. He has accumulated over 5,300 flight hours and 1,100 arrested landings. He was the recipient of the Naval Air Forces Pacific Pilot of the Year in 1996. Lewis assumed duties as deputy chief of naval operations for operations, plans and strategy in August 2017. His personal awards include the Defense Superior Service Medal with oak leaf cluster, Legion of Merit (six awards), Bronze Star, Defense Meritorious Service Medal, Meritorious Service Medal, Air Medal (seven Strike Flight and four Individual with Combat “V”), Navy and Marine Corps Commendation Medal (three awards; two with Combat “V”), and the Navy and Marine Corps Achievement Medal, as well as various service and campaign awards.

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 20, 2018

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. In the Navy's opening statement, readiness accounts are said to be funded to "maximum executable levels." Is this the maximum executable within the public and private industrial base? Regarding available industry capacity, this committee has long expressed support for optimizing efficiencies and throughput of aircraft, including through competitive industry contracts for maintaining legacy F/A-18s. I understand that the Navy is taking 3 to 6 times longer than projected to provide engineering approvals and required sustainment funding under existing contracts. Can you explain why the Navy is dragging its feet on approving required repairs—and getting our tactical aircraft back on operations? Can you help the committee understand how the Navy defines maximum executable levels if clearly capacity remains within industry that will expedite readiness recovery?

Admiral LESCHER, Admiral LEWIS, and Admiral MCCOLLUM. Program requirements for a fiscal year are assessed and updated at five distinct points in the Department's Planning, Programming, Budgeting and Execution System (PPBES). Total Fleet and System Command (SYSCOM) requirements are collected and determined by modeled and non-modeled processes during Planning and Programming. The total requirement is evaluated by the Navy in conjunction with stakeholders to determine if the entire requirement can be executed in the budget year, almost two years in the future. Factors considered include current public and private sector performance, updated pricing, the material condition and operating status (i.e. Mission Capable aircraft) of the force, utilization of the force, and the anticipated improvements in the readiness of the force based on funded and executed efforts.

Executability is evaluated again by the Navy during the Budgeting phase of PPBES prior to submission to the Office of the Secretary of Defense (OSD), with the hindsight of an additional six to eight months of program execution and additional inputs from the Fleets and SYSCOMs with updated requirements. OSD provides a third review of the Navy's programs and prior to budget lock, the Department queries stakeholders for emergent requirements that were not previously evaluated. Items not funded in the President's Budget are considered for the CNO Unfunded Priority List.

The result of this process and thorough evaluation determines the level to which readiness accounts will be funded relative to the requirement. Some accounts are funded to 100% of the requirement while others are funded to maximum executable levels. Maximum executable represents the maximum amount of funding that can be executed in a given fiscal year. The Navy would not be able to execute funding provided above that level. When it is submitted, the President's Budget represents the Navy's most current and best estimate of the aviation and ship readiness requirements.

Prior to the start of the fiscal year, Fleets and System Commands (SYSCOMs) update their requirements and identify anticipated shortfalls and assets pending enactment of the annual appropriations bill. Execution of programs is tracked across the fiscal year and a Mid-Year Execution Review is conducted in April and May to support the OMNIBUS reprogramming action submitted to Congress in June. When conditions change, the Navy seeks additional funds to improve the readiness of the force.

Specific to naval aviation recovery, the Navy is not dragging its feet. The backlog that previously existed and which necessitated the use of commercial depot contracts has been eliminated, with all aircraft inducted into workflow. Recent reductions in the overall requirement, enabled by combining depot events, and the steady increase in capacity at organic Fleet Readiness Centers, have reduced the requirement for follow-on commercial contracts for F/A-18A/B/C/D depot-level maintenance, since the forecasted requirement can be covered within existing organic depot capacities. The Air Systems Support budget (OMN 1A4N), which funds Program Related Logistics for engineering dispositions, is funded to \$876M in FY19, significantly more than the FY18 enacted amount of \$701M and the FY17 executed amount of \$655M. Work-In-Progress (WIP) for engineering instructions has been on an improving trend since March of 2017. Aircraft parts funded in Aircraft Procurement, Navy (APN) for the overall aviation spares account are funded to historically high levels

with \$1.8 billion in FY19 and \$2.2 billion enacted in FY18. This funding coupled with the parts procured by the Working Capital Fund in 2017 that start to deliver in 2019, will provide the needed parts for our Sailors and Fleet Readiness Centers to return aircraft to a Mission Capable (MC) status. The Navy is using industry capacity to recover naval aviation readiness. The Navy has numerous Public-Private Partnerships (PPP) that support sustainment of aviation products. The Navy is also partnering with Boeing on the Service Life Modification (SLM) Program for F/A-18E/F, the first major extensive sustainment program to deliver a Mission Capable (MC) aircraft with extended life. We will continue to assess the best use of resources to maximize the return of MC aircraft to the Fleet.

QUESTIONS SUBMITTED BY MR. BROWN

Mr. BROWN. As you already know, Navy Readiness is at an all-time low. A portion of readiness is the ability to upgrade existing weapon systems. The Navy has several organic prototyping capabilities that seemed to be under utilized due in part to the lack of knowledge the capabilities exist. Can you tell me the percentage of naval weapon system upgrades utilize internal Navy resources vice going straight to the OEM? Is there a detailed analysis of organic prototyping capabilities and any existing gaps that might prevent you from using them in the future?

Admiral LESCHER, Admiral LEWIS, and Admiral MCCOLLUM. The Department of the Navy (DON) has been engaging the Naval Research and Development Establishment (NR&DE), comprised of the Naval Warfare and Systems Centers and Laboratory, organic capabilities through several pathways. As an innovation engine of ideas, Section 219 of the FY 2009 National Defense Authorization Act (NDAA) has provided means to increase research funding within the NR&DE to develop technology solutions. The DON has been engaging the NR&DE through a series of technology explorations and Advanced Naval Technology Exercises (ANTX) to evaluate the NR&DE technology advancement and apply them to the Navy's and Marine Corps' pressing problems. These technology exploration/ANTX events included Smart Mining, Counter-Unmanned Aerial Systems, Urban 5th Generation Marine, Ship-to-Shore Maneuver, Unmanned Systems, and Advanced Combat System Technology. These efforts have provided the platform for the DON to more efficiently utilize the organic prototyping capabilities and focus the efforts on the DON's most pressing needs.

