

NOT FOR PUBLICATION UNTIL  
RELEASE BY THE HOUSE  
ARMED SERVICES COMMITTEE

**STATEMENT OF**  
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**VICE CHIEF OF NAVAL OPERATIONS**  
**BEFORE THE**  
**HOUSE ARMED SERVICES COMMITTEE**  
**SUBCOMMITTEE ON READINESS**  
**ON**  
**READINESS IN AN AGE OF AUSTERITY**

**OCTOBER 27, 2011**

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Chairman Forbes, Representative Bordallo, and distinguished members of the Readiness Subcommittee, it is a pleasure to appear before you today to discuss the readiness of the force in an era of austerity. It is also an honor to represent the men and women of the United States Navy—active, reserve, and civilian—who remain engaged in combat operations in the Central Command as well as stand watch across the globe as our forward-deployed, ready maritime force. It is truly their performance and service to our nation that makes us the finest Navy in our history. Thank you for your continued support of them and their families.

### **Current Navy Readiness**

As Admiral Greenert discussed with the Committee on July 26th of this year, the readiness of the Fleet remains at an acceptable level as we continue to reset-in-stride between rotational deployments. We continue to experience high operational demand for naval forces in all theaters, and the stress on the force continues after ten years of combat operations. The underlying issue of meeting this demand over the long term remains a challenge. Sustaining our current pace of operations will, over time, reduce the expected service life of our platforms, increase our maintenance costs, and provide additional stress on our Sailors and their families as our forces experience longer deployments with shorter turnaround times.

During previous periods of reduced defense spending, we experienced declines in the readiness of the force when we failed to appropriately fund all of the elements of readiness. The “hollow force” of the late 1970s and early 1980s was characterized by low personnel quality and aging equipment. In the 1990s, degradation in material readiness and low training readiness in our non-deployed forces were evident, although personnel quality was high.

As we enter a period of fiscal austerity, it will be essential to maintain a force structure that possesses the capabilities to pace the anticipated threat, is manned by high quality personnel

with the requisite skills and experience, is supported by adequate inventories of spare parts and weapons, and is sufficiently exercised to sustain operator proficiency.

### **Potential Impact of Sequestration**

Should the efforts of the Joint Select Committee on Deficit reduction not reach an agreement and sequestration occur, severe impacts would be immediately experienced by the Navy. In a scenario where military personnel funding is exempt from sequester, we would anticipate a reduction in our FY13 funding of approximately 25 percent. As current law does not provide the Department of the Navy flexibility in managing these reductions, the cuts would be applied equally to each program, project and activity by budget line item.

As a consequence:

- Programs involving a purchase, such as construction of a ship, submarine, aircraft, or building, would be unable to be executed. Cuts of this nature would result in the breaking of existing multiyear contracts, and would severely disrupt our suppliers and the industrial base.
- The reduced funding for other weapons procurement programs would drive up unit cost, resulting in reduced quantities and delivery delays.
- Research and development programs would be delayed or cancelled.
- Flying hours and steaming days would be reduced, and we would cancel selected depot maintenance availabilities.
- Civilian personnel would be at risk for furloughs.
- Funding for readiness and training would be reduced below levels that could sustain our current force structure.

Finally, despite Overseas Contingency Operations (OCO) funds remaining exempt from sequester, the disruption in the base budget would have adverse effects on our ability to support ongoing operations. Our response times to contingencies would be longer, we would have fewer forces available for deployment, and non-deployed forces would be less ready than today.

### **The Way Ahead**

Our leadership remains committed to providing the nation with the most ready and capable naval forces in the world. The Chief of Naval Operations has outlined three tenets in his “Sailing Directions” that we will apply to our decisions: Warfighting First, Operate Forward, and Be Ready.

Viewing the directed budget reduction in the Budget Control Act of 2011 through this lens, we will continue to seek the best balance between current and future readiness, and search for additional opportunities to deliver appropriate readiness at a reduced cost. We strongly support a course that sustains our readiness improvement initiatives currently underway. This includes upholding our professional and moral responsibility to the welfare of our Sailors, civilians and families who underpin our readiness.

As we proceed, we must remain both a global and ready force. In this fiscal environment, we will look at several areas to achieve savings to meet our fiscal targets. These include greater efficiencies, personnel costs, force structure and modernization, and procurement reform.

Our goal will be to maintain funding for the essential elements of readiness in balance, while holding an acceptable level of risk in the capacity of those forces to meet the operational requirements of the combatant commanders. We believe these decision should be strategy driven. Absent this measured approach, the impact of a sequestration on both the Navy and our industrial base would be immediate, severe and long lasting.