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THE HOUSE ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES

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BEFORE THE

SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES OF THE

HOUSE ARMED SERVICES COMMITTEE

ON

DEPARTMENT OF THE NAVY FISCAL YEAR 2027 BUDGET REQUEST

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Chairman Kelly, Ranking Member Courtney, and distinguished members of the Committee, thank you for the opportunity to testify on the Department of the Navy's Fiscal Year 2027 Budget Request. It is an honor to represent the Department of the Navy (DON) and the hundreds of thousands of dedicated Sailors, Marines, and civilians who constitute our Nation's naval strength.

The United States Navy and Marine Corps remain the world's preeminent naval force. The skill and dedication of our Sailors and Marines are unmatched, and our capabilities second to none. However, we must be candid about the challenges we face. We are operating in the most complex security environment in generations — an era of persistent competition where threats evolve rapidly and rivals test our resolve daily.

The DON is decisively moving towards implementing the President's new Maritime Golden Age strategy by building a resilient workforce and strengthening alliances that advance our strategic position and shipbuilding industrial capacity. Our Navy is actively investing in the Maritime Industrial Base (MIB) to enable faster construction of ships and other critical infrastructure. Additionally, our military requires a Defense Industrial Base (DIB) that produces, delivers, and sustains critical munitions, systems, and platforms. Our readiness, lethality, range, and survivability are directly linked to the DIB's ability to securely develop, field, sustain, resupply, and transport the equipment and materiel that affords us our warfighting advantage.

The Golden Fleet Initiative addresses this challenge by creating a balanced, high-low mix of platforms – combining high-end combatants with scalable, lower-cost systems and unmanned capabilities to deliver distributed lethality at scale. This approach recognizes a fundamental reality: future conflicts will require both capacity and capability integrated for optimized, lethal outcomes. High-end platforms, such as battleships and next-generation carrier aviation, provide multi-mission, high payload capacity, and advanced warfighting capability, while lower-cost and scalable platforms, like Frigates and Robotic Autonomous Systems (RAS), provide responsive and flexible modular solutions required for modern naval warfare. Lower cost systems also deliver the volume and distribution necessary to complicate adversary decision-making and sustain operations over time.

The Marine Corps Force Design initiative has seen steady progress, delivering on the Corps' deliberate, multi-year effort that strengthens lethality, expands sensing and maneuver options, and accelerates the integration of unmanned capabilities. The modernization campaign

is producing warfighting advantages that are visible throughout the entire Marine Corps—from the Marine Littoral Regiments to the Marine Expeditionary Units to the Marine Expeditionary Forces. This year's President's Budget is a "generational investment" that provides the Corps with the resources required to ensure Marines are ready to respond to crises globally, deter adversaries, and if deterrence fails, to fight and win.

FY27 Budget Request

The Department's Fiscal Year (FY) 2027 budget request is a $377.5 billion strategic investment which represents a $70.9 billion increase, and a more than 23 percent growth over FY26—and signals a clear commitment to the Golden Fleet Initiative, modernization, and readiness. This request reflects a shift toward sustained, long-term investment in naval power. This budget request combines $338.7 billion in discretionary funding and $38.8 billion in mandatory funding to align resources with operational demand and industrial reality.

As the Department of the Navy continues to advance our shared goals of modernization and readiness, we remain deeply committed to the responsible stewardship of every taxpayer dollar. This commitment is clearly demonstrated by the Marine Corps achieving its third consecutive clean audit opinion, a milestone that establishes a consistent track record in financial accountability and resource management. The Navy is actively applying lessons learned and best practices from the Marine Corps' success to drive improvements across the entire organization. By strengthening our naval integration, not only in operational capabilities but also in financial stewardship, we ensure that resources throughout the Department are optimized to support our service members and deliver a more lethal, resilient, and adaptable maritime force.

Our investments today will set the theater to enhance our ability to maneuver and sustain combat power, even under persistent surveillance and long-range threats. These capabilities ensure our warriors can operate at the speed demanded by modern warfare. Modernization continues to gain momentum, shifting from experimentation to fielding, with a focus on precision fires, air defense, unmanned systems, resilient command and control, and electromagnetic warfare. These advances, along with disciplined resource management and sustained investment in the maritime service will reinforce our commitment to readiness and ensure unmatched lethality.

This Department is taking decisive action to deliver the Golden Fleet Initiative and Force Design. We are supporting distributed shipbuilding and other increased production efforts around the country and deploying innovative contract structures to better balance risk and opportunity. We are holding ourselves and our contractors accountable – cancelling or restructuring programs that were not delivering, were too expensive, or too slow. We are initiating programs that will better meet warfighting and operational requirements. We have implemented Portfolio Acquisition Executives to streamline acquisition and more rapidly deliver capability to the fleet.

Advancing Shipbuilding Initiatives

Over the past year, the United States Navy and Marine Corps has continually demonstrated across multiple theaters and mission sets why it is the world's premier maritime force. Whether delivering continuous, devastating striking power at an unrelenting pace from virtually every type of platform in the Fleet in Operation Epic Fury, enabling the rapid insertion, decisive action, and safe recovery of Special Operations Forces in Operation Absolute Resolve, delivering long range precision strike in Operation Midnight Hammer, or sustaining high tempo carrier strike operations against Houthi targets in Operation Rough Rider, our Fleet has operated with unmatched reach and skill. In the Western Hemisphere, during Operation Southern Spear, Navy and Coast Guard forces surged to disrupt illicit trafficking and safeguard our southern approaches. No other Navy or combined force can match the mobility, endurance, and expeditionary capability that the Navy and Marine Corps delivers. Whether off foreign shores, across the Middle East, beneath the Arctic ice, throughout the vast Pacific, or elsewhere around the world, our Navy and Marine Corps deliver ready combat power in hours or days, not weeks or months, and continues to underwrite America's global security and the Joint Force's ability to fight and win.

We are expanding the ways the naval Service will ensure victory over any enemy, any time, in any place. The Navy and Marine Corps are preparing to meet any foe up and down the spectrum of competition and conflict with a high-low mix of capabilities. That requires us to invest in current and new classes of combat ships, in new capabilities such as unmanned systems, and to recapitalize our auxiliary fleet. Next, we are revitalizing shipyards across America with tens of billions of dollars in stable, predictable, long-term investments to get more ships in the

water, bolstering high-skill, high-wage American jobs. We are improving production of established ship classes through expanded distributed shipbuilding efforts. By prioritizing auxiliary ships, we will both meet the needs of the fleet and regenerate capacity for commercially viable shipbuilding. Finally, we are moving Navy shipbuilding from a compliance-based bureaucracy to an outcome-focused warfighting enterprise – restoring accountability, rewarding performance, and embracing advanced technology to deliver capability at speed by enforcing discipline, leveraging distributed production, and enabling stable, repeatable workloads.

No other Navy, joint or combined force in the world can offer the same level of mobility and expeditionary capabilities that enabled this mission to be successful. Regardless of the scenario, our Navy's differentiated value is the sovereign mobile capability we provide to our Nation and Joint Force to be in any hemisphere, fully capable, ready for any contingency, in a matter of days.

SHIPS

Battleship

The battleship is designed to provide the Fleet with a significant increase in lethality by accommodating advanced weapon systems required for modern warfare. Adding capability at the highest end of the high-low mix, its primary role is to deliver high-volume, long-range offensive fires and serve as a robust, survivable forward command and control platform. The battleship will be capable of commanding a Battle Group, operating independently, or integrating with a Carrier Strike Group for missile and air defense.

The battleship is planned to be nuclear powered and designed to accommodate developmental capabilities and will have a large capacity for existing weapons, to include vertically launched missiles from the Mark 41 launcher as well as a large Conventional Prompt Strike (CPS) magazine. A key advantage of large surface combatants is their ability to deliver high-volume fires from a single platform. Delivering large quantities of ordnance from fewer platforms reduces coordination complexity, increases synchronized responsiveness, and ensures combat power can be applied at decisive moments. Its large form factor delivers space, weight, power, and cooling margins crucial for the battleship's directed energy and railgun weapons

systems, which will dramatically reduce the need for kinetic missile defense and greatly extend the range of the battleship's gun systems.

Battleship acquisition will utilize an innovative Navy-led, industry-collaborative design approach. Procurement of the ship is planned for 2028, with projected delivery to the Fleet in the 2030s. PB-27 includes one billion dollars of advanced procurement for Battleship.

Frigate

The Navy's Frigate program is a strategic necessity to address a significant shortfall in the Navy's small surface combatant inventory and to create a more balanced and flexible Fleet. Representing the low end of the high-low mix, Frigates will relieve more capable, high-end assets like the Arleigh Burke-class destroyers from missions that do not require large, exquisite multi-mission combatants. Frigates, operating in coordination with MUSVs and theater assets, will be a highly producible, cost-effective and adaptive platform responsible for missions such as convoy escort, anti-submarine warfare, surface warfare, homeland defense, maritime interdiction and counter-drug operations.

A key innovation in the Frigate program will be the inclusion of space and power to accommodate containerized payloads, which will allow the platform to incorporate existing and future capabilities and weapons without having to redesign the hull or engage in lengthy modernization availability. The Frigate will be produced with speed and affordability and a mature, stable design to reduce technical risk and accelerate production. Initially contracting to deliver two ships from one shipbuilder, we will leverage a competitive bidding process for follow on hulls across multiple yards. PB-27 includes $1.4B for Frigate.

Destroyer Modernization

The Arleigh Burke-class guided-missile destroyer (DDG 51) is the workhorse of the surface Fleet, as illustrated clearly by Operation Epic Fury. While Frigate will relieve them of lower-end missions, and Battleship will take on long range strike with greater capacity, DDG 51 remains highly capable for integrated air and missile defense, surface warfare, anti-submarine warfare, and strike as a critical component of both CSGs and Surface Action Groups. All remaining procurement for the class is the Flight III variant, which incorporates the most modern

hardware and software, especially the AN/SPY-6 radar and Baseline 10 of the Aegis Combat System along with a limited number of hull, mechanical, and electrical upgrades.

The Navy intends to continue destroyer procurement at a level that does not pressurize the current construction backlog while at the same time modernizing Flight IIA destroyers through DDG Modification 2.0. Through this process, Flight IIA ships will be upgraded to AN/SPY-6, Baseline 10, and SLQ-32(V)7, ensuring that past investments remain relevant to the future fight. Without significant improvements in destroyer construction at the shipyards and sustained investment in modernization, the Navy will accept risk in air and missile defense coverage, escort capacity, and the ability to protect high-value forces in contested environments.

Littoral Combat Ship

The Littoral Combat Ship (LCS) fulfills an important near-term role on the low end of the current Fleet's high-low mix. With capability upgrades leveraging containerized and modular payloads including the offensive Naval Strike Missile, deployed LCS complicate adversary decision-making by holding surface ships at risk. LCS have relieved the legacy Avenger-class mine countermeasures ships in the FIFTH Fleet area of operations, marking an important transition in a persistently challenging warfare area. At the same time, LCS are conducting experimentation with RAS that will lay a foundation for the success of Frigate and streamline a repeatable process for creating tailored forces. With the final LCS delivering to the Fleet prior to FY-27, the Navy will transition to sustaining and modernizing these ships to keep them relevant, combat credible, and reliable through their service lives.

Amphibious Ships

The DON is committed to maintaining an appropriately-sized amphibious force structure, and both services remain dedicated to building and sustaining traditional amphibious warfare ships that comprise the Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU). The LHA is a key component of the ARG/MEU team, providing unmatched capabilities for crisis response, humanitarian aid, and high-end combat. Starting with USS Bougainville (LHA 8), LHA Flight I ships reincorporate a well deck for deploying landing craft, to complement aviation assault. LHA 8 is projected to deliver in FY27.

Amphibious transport docks (LPDs) provide our expeditionary team with the capability to embark, transport, and disembark elements of a landing force for a wide range of expeditionary missions with the ability to operate independently in distributed operations. The new Flight II LPDs are designed to replace aging and costly Landing Ship Dock (LSD) ships. The next ship Harrisburg (LPD 30) is projected to deliver in FY27. LHA 10 and LPDs 33, 34, and 35 are a part of the 2024 Multi-Ship Procurement (MSP) contract. MSP provides a consistent demand signal and stable shipyard workload for the amphibious ship industrial base.

In addition to building new amphibious ships, we are executing a comprehensive plan to improve readiness of our existing amphibious ships, an area in which we acknowledge we have underperformed. To provide an increased focus on this issue, the Navy and Marine Corps jointly established the Amphibious Force Readiness Board (AFRB), co-chaired by Vice Chief of Naval Operations Admiral Jim Kilby and the Assistant Commandant of the Marine Corps General Bradford Gering. Our charter addresses challenges for force generation, readiness, and maintenance and modernization of the amphibious force. The AFRB will provide quarterly reports to the Secretary of the Navy, Chief of Naval Operations, and Commandant of the Marine Corps on actions and improvements.

We have set clear goals including executing on time deployments and on time maintenance completion, specifically: reducing unplanned maintenance to 10% to reduce cost and schedule impact, reducing days of maintenance delay, procuring 97% of long lead time material greater than one month prior to maintenance period commencement, and awarding contracts one year prior for maintenance planning and workforce stability. These actions are how we restore confidence in the amphibious force and deliver combat power on time.

The Amphibious Ready Group and Marine Expeditionary Unit (ARG/MEU) is central to the Marine Corps ability to remain forward, ready, and responsive. An ARG/MEU can respond within hours of tasking with combat-credible, multi-domain capabilities. Its deterrent effect is invaluable. The Commandant of the Marine Corps' best military advice is that a continuous 3.0 ARG/MEU presence is required to provide Geographic Combatant Commanders, and our Nation, with the forces they need to meet the challenges presented across the globe. A 3.0 ARG/MEU presence means three continuously forward-deployed ARG/MEU teams, one sourced from the East Coast, one from the West Coast, and one forward-stationed from Okinawa.

Medium Landing Ship (LSM)

The Marine Corps and Navy are developing the new Medium Landing Ship (LSMs) to address a recognized littoral mobility gap in the Indo-Pacific and support the Marine Corps' Force Design. This vessel will maneuver and sustain expeditionary forces – including their supplies and equipment – across contested waters, enabling direct landings on beaches and at austere or degraded ports. To accelerate delivery of the new LSM, the Navy is using a rapid acquisition strategy with a commercial Vessel Construction Manager (VCM), with the expectation of fielding LSM at a higher rate. The first hull is directed to Bollinger Shipyard, with hulls 2 through 5 directed to Fincantieri Marinette Marine, and hulls 6 and on to be competitively awarded by the VCM.

Combat Logistics Force and Auxiliaries

The next-generation submarine tender program (AS(X)) is the two-ship recapitalization class for the USS Emory S. Land (AS 39) and USS Frank Cable (AS 40) submarine tenders located in Guam. AS(X) will directly contribute to submarine force readiness and maintenance capacity by conducting rearm, repair, and resupply missions for all U.S. submarine classes. AS(X) will also store submarine ordnance, countermeasures, and unmanned systems. PB-27 procures two submarine tenders in FY-27. The two ships are funded at $4.4 billion.

The Navy's Light Replenishment Oiler (T-AOL), also known as the Next Generation Logistics Ship (NGLS), will be a new class of smaller logistics ships that will rearm, refuel, and resupply naval forces at sea. NGLS will augment the Combat Logistics Force with smaller, less expensive, intra-theater ships that enhance the Navy's ability to support expanded maritime maneuver by enabling Distributed Maritime Operations (DMO), Littoral Operations in Contested Environments (LOCE), and Expeditionary Advanced Base Operations (EABO). PB-27 proposes procurement of the NGLS lead ship in FY31 with planned delivery in FY35.

The Navy is recapitalizing its towing, salvage, and rescue ship force with eight Navajo-class Towing and Salvage (T-ATS) ships. T-ATS will be capable of conducting diving, salvage, submarine rescue operations, and emergency towing missions. The program is behind schedule, but the schedule is stabilizing. T-ATS 11 will be delivered in 2026. The final T-ATS is scheduled to be delivered in 2029.

The T-AO 205 class oiler is the replacement class for the current fleet of Henry J. Kaiser-class (T-AO 187) oilers, which are reaching end of service life. T-AO 205 class is being built at General Dynamics NASSCO in San Diego, CA. The first John Lewis-class oiler (T-AO 205) has commenced Fleet operations. The USNS Oscar V. Peterson (T-AO 206) will commence Fleet operations in FY26. The Navy requires 20 oilers per the current Battle Force Ship Assessment and Requirement (BFSAR). The T-AO 205 class oilers utilize a double-hull design to align with modern commercial industry practices, provide a V-22 capable flight deck, and have greater food storage capacity than the T-AO 187 class. Initial program delays have caused the Navy to have to extend legacy T-AO 187 class ships in previous years.

The FY27 request includes $450M in FY27 to procure one Consolidated Cargo Replenishment at Sea (CONSOL) tanker and $2.3B across the FYDP for a total of five tankers to enable refuel support to the Combat Logistics Force, potentially from overseas shipyards initially. Over $450M for five fire boats and one special mission ship are also included in the budget request, as well as $650M for one hospital ship.

Connectors

A family of connectors remains essential to sustaining littoral mobility across diverse operational conditions. Platforms such as the Autonomous Low-Profile Vessel, Multi-Mission Reconnaissance Craft, Ship-to-Shore Connector, and LCU 1710 provide complementary capabilities that enable tactical maneuver, logistics distribution, and reconnaissance in shallow and austere environments. These systems reduce reliance on large, predictable platforms and expand the Corps' ability to operate across constrained maritime terrain.

Increasing capacity across this connector portfolio ensures the Marine Corps can adapt to region-specific challenges while sustaining combat power forward. Together with interim solutions and future purpose-built platforms, these connectors provide the flexibility required to support distributed operations today while the Corps transitions to a more resilient littoral mobility architecture.

Strategic Sealift

We are forging the next generation of maritime dominance by recapitalizing our strategic sealift fleet. We are not just replacing old ships but ensuring that America can deliver naval

combat power to any shore for the next fifty years. We must continue this vital work and champion the merchant mariners who sail them – they are the lifeblood of this critical capability. The Navy's strategic sealift fleet is projected to lose 1.3 million square feet of capacity by 2031 as older ships retire. Without sustained and predictable recapitalization authorizations and funding for a mix of both new and used vessels, the Department of War (DoW) will be forced to accept a critical shortfall in strategic sealift, directly threatening the timely delivery of the Joint Force in crisis.

To effectively address the critical shortfall in strategic sealift capacity, a dual-pronged investment strategy is required. In the near term, a sustained focus on acquiring younger, more reliable used commercial vessels offers the most rapid solution to close the immediate capacity gap created by the retirement of aging ships. Concurrently, a long-term, steady investment in the new construction of purpose-built sealift ships will guarantee a future Fleet structured to provide reliable, predictable, and militarily useful capacity to meet wartime delivery demands.

The DON's budget request for PB27 is the continuation of its recapitalization strategy by the procurement of used vessels, construction of new sealift vessels to replace the aging surge sealift capacity, as well as the continuation of capability development for future special mission sealift recapitalization.

Top Level Requirements (TLR) for Sealift New Construction has been approved by the Navy and provided to the Department of Transportation's Maritime Administration (MARAD). MARAD will contract with a Vessel Construction Manager for design and construction of the first two sealift vessels. The Buy-used sealift recapitalization program provides a stable near-term acquisition profile while reducing maintenance and repair costs. The program's buy-used authorized vessel limit was increased from ten to twelve by Congress in FY26 NDAA with seven of the twelve vessels purchased.

Aircraft Carriers

One of the Navy's most important differentiated values is projecting mobile, lethal force from the sea. A Carrier Strike Group (CSG) is a sovereign, floating airfield that provides sustained combat power without needing permission to use foreign land bases – a vital capability in contested regions like the Western Pacific, Middle East, and High North. This allows the Navy to conduct its irreplaceable mission of independent power projection, launching precise, over-

the-horizon air strikes on demand. To maintain this, the USS John F. Kennedy will replace the USS Nimitz in FY2027, keeping the Fleet at its required 11 carriers. These carriers are the centerpiece of our naval strategy, enabling us to build powerful formations that can deter and quickly seize the upper hand against any adversary. PB-27 includes $4.1B for aircraft carriers: $1.9B for advanced procurement of CVN-82 and $2.1B of incremental funding for CVNs-80/81.

Submarines

The Columbia-class Ballistic Missile Submarine (SSBN) is our Navy's number one acquisition priority, designed to recapitalize the nation's sea-based strategic deterrent as the Ohio-class SSBNs approach the end of their service life. Its primary role is to serve as the most survivable leg of the nuclear triad through the 2080s, ensuring that strategic warfighting requirements continue to be met.

The Columbia class will employ advanced technologies not found on the Ohio-class, to include fly-by-wire controls, electric propulsion, and improved quieting technology to pace the threat. While the lead ship is projected to deliver 12 to 18 months late, the Navy is working with shipbuilders to recover schedule and investing in Ohio-class life extensions to manage the transition. This program is in serial production, with six hulls in various stages of construction. PB-27 includes $15.2B for Columbia-class program full funding, advanced procurement, and industrial base investments.

Virginia-class Submarines are designed to provide the Fleet with unrivaled warfighting overmatch by delivering on the Nation's undersea asymmetric advantage. The new construction program is currently underperforming to the required delivery cadence but has stabilized and is seeing improvements in key areas. The primary challenge associated with submarine construction is to drastically increase production capacity across the enterprise in order to improve efficiency and increase the new construction rate to ~2.33 submarines per year.

The Navy's plan involves a close partnership with industry and Congress, featuring heavy investment in modernized facilities, skilled workforce development, a strengthened supplier network, and accelerating advanced manufacturing and digital tools to increase throughput and improve first-time quality. This budget provides stable, multi-year funding essential for restoring the production cadence. Twenty-six Virginia-class submarines have been delivered to date, and an additional 14 are under contract and under construction. PB-27 includes $14B for the

Virginia-class program across advanced procurement, procurement of two submarines, industrial base investments, and shipbuilder productivity and wage enhancements.

Shipyard Infrastructure Optimization Program

Shipyard Infrastructure Optimization Program (SIOP) is an essential generational investment to reduce maintenance durations for the Navy's nuclear fleet and to improve the poor facility conditions in the Navy's four public shipyards. To date, SIOP has completed 54 projects across all four shipyards – Pearl Harbor Naval Shipyard (PHNS), Puget Sound Naval Shipyard (PSNS), Portsmouth Naval Shipyard (PNSY), Norfolk Naval Shipyard (NNSY) – totaling over $1.4B. These projects maintained dry dock certification, improved facilities, and optimized process flows. An additional 43 projects worth $6.3B are under contract, including six dry docks. Three new dry docks are under construction, and three dry docks are being modernized. This year's budget devotes $1.8 billion to SIOP.

Surface Ship Maintenance and Sustainment

Under the goal of delivering a force that is 80 percent combat surge ready, the Navy is continuing investments in surface ship maintenance to eliminate delays and deliver a more combat-ready force. We are simultaneously investing in sparing to keep operational ships at sea with their full capabilities. New initiatives such as the hybrid government-industry depot at Naval Support Activity Crane will be crucial to sustaining the wholeness of deployed the Aegis Combat System well into the 2060s. Our current maintenance structure lacks the right balance of Sailors, civilians, artisans, and engineers. Years of depot and activity level consolidation have reduced opportunities for our Sailors to master the skill sets needed to repair and sustain at sea. For these reasons, the Navy is pursuing the stand-up of Shore Intermediate Maintenance Activities (SIMA) in Norfolk and San Diego. These facilities will provide our Sailors with hands-on training in advanced ship repair and expose them to modern capabilities such as Artificial Intelligence/Machine Learning (AI/ML), advanced manufacturing (e.g., 3-D printing, CAD/CAM, etc.), workflow monitoring technologies, and robotic systems.

Medium Unmanned Surface Vessels

Medium Unmanned Surface Vessels (MUSVs) will enable the creation of tailored force packages and modern formations that realized the warfighting goals of the Navy's overall Hedge Strategy. MUSVs are designed to be scalable, deployable, adaptable, and cost effective. These units will be able to compose formations to bolster scouting, screening, deceiving, denying, resupplying, or striking through their ability to accommodate containerized payloads to perform a wide variety of functions from across the spectrum of conflict. As part of the broader category of tailored offsets provided by RAS initiatives, MUSV will allow operational commanders to make different risk decisions with these platforms compared to traditional manned combat ships. The Navy will use Other Transaction Authority (OTA) to acquire MUSV, which will provide opportunities for new shipbuilding entrants. MUSV will create opportunities for smaller shipyards to expand their workforce and will add capacity in parallel with combatant ships in production at established shipbuilders.

WEAPONS

Munitions

Without sufficient investment in munitions and payload capacity, the Navy risks entering future conflicts with forces that are technologically advanced but unable to sustain combat or achieve decisive outcomes. As such, the Navy is expanding both the capability and capacity of its missile inventory. Sustained production of SM-6 and Tomahawk cruise missiles, integration of additional interceptors, and development of hypersonic weapons such as Conventional Prompt Strike are essential to maintaining credible offensive and defensive capabilities. Increasing magazine depth remains a top priority. For that reason, the Navy is committed to a historic investment of $21.6B in FY27 for 4,612 weapons, including 540 Standard Missiles and 785 Tomahawk missiles. The Navy is also investing another $1.6B in the weapons industrial base.

The Multi-Mission Affordable Capacity Effector (MACE) program is a key initiative to rapidly deliver a low-cost, air-launched, hypersonic, air-to-surface weapon to address the need for an increased quantity of longer-range weapons in contested environments. Serving as a pathfinder for accelerated acquisition, the Department's Rapid Capabilities Office has gone from concept to production intent design in less than two years and aims to field a weapon on the F/A-18E/F in 2027. The MACE program is about both speed and scale with a goal of producing

thousands of rounds per year. The PB27 budget reflects this commitment by procuring 4,510 MACE weapons across the Future Years Defense Program (FYDP).

Directed Energy

Directed energy is a critical component of future naval warfare, particularly for ballistic missile and terminal defense. The current paradigm, which forces a trade-off between defensive interceptors and offensive strike weapons within the limited space of the Vertical Launching System (VLS), is unsustainable. Every VLS cell used for a defensive missile is a lost opportunity for a long-range offensive strike. Furthermore, in a high-threat environment, kinetic systems alone may struggle to meet the required rate of fire. Directed energy weapons (DEW) offer a solution by increasing the potential kill rate at a lower cost per engagement compared to traditional kinetic projectile munitions and missile interceptors, thereby increasing overall combat endurance.

Future ships, like the battleship, will be designed with the power and cooling capacity necessary to scale these systems to very high energy levels, thereby providing lethality against exquisite threats. A sustained investment in directed energy will drive improvements in the industrial base, allow cost sharing where appropriate with U.S. Army activities, and provide expanded test opportunities to accelerate integration into layered terminal defense with low-cost kinetic weapons. We must prioritize and fund Research & Development for compact, high-density energy storage and thermal management systems capable of handling the demands of DEWs and invest in digital engineering and land-based test facilities to de-risk the complex integration of DEW systems with legacy combat and ship control systems.

Containerized Capability Campaign

The Navy is advancing a Containerized Capability Campaign (C3) to rapidly field scalable, modular, mission-tailored combat power across multiple platforms. This initiative enables the integration of modular payloads – including missiles, unmanned systems, sensors, electronic warfare packages, and directed energy – into standardized containers that can be deployed across a wide range of platforms and shore sites.

Containerization decouples payloads from platforms, allowing the Navy to adapt capability faster than traditional acquisition timelines. It increases operational flexibility,

enhances distributed lethality, and enables the Navy to tailor solutions to specific operational problems. This approach is central to the Navy's Hedge Strategy – delivering cost-effective, scalable, and adaptable capabilities that complement high-end platforms and expand combat power at scale.

The Containerized Capability Campaign is a foundational element of the Golden Fleet, enabling both high-end combatants and lower-cost platforms to deliver a broader range of effects without requiring platform redesign. Consistent with the U.S. Navy Fighting Instructions, containerized capabilities provide a means to accelerate warfighting advantage by rapidly fielding and integrating new effects into the Fleet. Without investment in modular and containerized capabilities, the Navy will be forced to rely on slower, platform-centric modernization approaches, reducing our ability to adapt to rapidly evolving threats. Ultimately, containerization allows us to deliver combat power at the speed of relevance – not the speed of platform-centric acquisition.

AVIATION

The DON's budget request invests $34.4 billion for the procurement of 123 new aircraft, and modifications, spares, and support equipment to drive significant modernization and expansion across critical manned and unmanned aviation programs. Key manned investments include procuring: 37 Joint Strike Fighter F-35C (carrier-variant) and 10 F-35B (short take-off / vertical landing variant) fifth-generation tactical aircraft; 12 additional E-2D Advanced Hawkeyes for airborne command and control; 12 upgraded P-8A Poseidons for global maritime ISR and anti-submarine warfare; 18 KC-130J for intra-theater airlift aircraft; 22 CH-53K heavy transport helicopters; and advancing the E-130J program to recapitalize the vital TACAMO nuclear command link.

The Navy and Marine Corps are extending the service life and prioritizing critical safety initiatives for the heavily utilized V-22 Osprey fleet, which remains essential for expeditionary maneuver and Carrier Onboard Delivery. The services are also aggressively expanding their unmanned capabilities including accelerating the MQ-58 Valkyrie Collaborative Combat Aircraft (CCA) program to ensure the F-35 fleet remains survivable and lethal against pacing threats.

F-35 Navy

The F-35C is the most lethal, combat capable aircraft in the Department of the Navy's inventory, complementing the CSG. It provides unique capabilities that cannot be matched by modernizing fourth-generation aircraft and is vital to the Carrier Air Wing's (CVW) future as the ultimate cornerstone of our naval forces. To date, the Navy has delivered 82 F-35Cs to the Fleet with 132 procured through the end of this fiscal year. Over the next decade, our goal is to field 273 total F-35C aircraft by 2036. To ensure the F-35C remains the preeminent multi-role fighter within the CSG, Navy must continue to invest in and modernize this highly capable platform to keep pace with our adversaries. Delivering this transformational capability to CVWs as soon as possible remains imperative to ensuring naval air dominance. To that end, PB-27 procures 20 F-35s for the Navy, an increase of 12 aircraft compared to FY26.

F-35 Marine Corps

The F-35 also provides the Marine Corps with a survivable, fifth-generation strike and sensor platform that enables Marines and the Joint Force to establish and maintain air superiority by defeating advanced threats while operating from distributed and expeditionary locations. The F-35B can be forward deployed aboard Amphibious Warfare Ships with Marine Expeditionary Units. Given its Short Take-off Vertical Landing (STOVL) capability and expeditionary nature, the F-35B can operate, refuel, and re-arm from austere locations. The F-35C is the carrier variant that enables integration with the Navy's Carrier Air Wing. With longer range and larger payload capacity, the F-35C closes gaps in reach, deployability, and lethality. The integration of the F-35B and F-35C are essential for future concepts, as these aircraft are the sensor, shooter, and quarterback of the Aviation Combat Element. The F-35 is making substantial operational contributions to the Marine Corps, strengthening forward presence and deterrence in the Indo-Pacific, delivering combat power in recent operations in U.S. Central Command, and supporting recent Navy and Marine Corps missions in support of U.S. Southern Command.

Next Generation Carrier Aviation (F/A-XX)

To maintain air dominance from the sea in contested environments, and a growing number of complex threats at an ever-lowering cost of entry, the Navy must continue developing

the next generation of carrier-based aviation capability. With prudent and focused investments, F/A-XX will extend the reach, survivability, and lethality of the CVW, enabling operations against advanced threats at greater ranges and with increased persistence. As the manned component of the Navy's next generation tactical airframe, F/A-XX is the most important effort in our Air Wing of the Future (AWOTF) campaign – already allowing the Carrier Air Wing (CVW) to remain ahead of complex threats our legacy fighters face today.

This capability is essential to counter adversary investments in long-range sensors, weapons, and anti-access/area denial systems. F/A-XX, integrated with unmanned platforms like the Navy's Combat Collaborative Aircraft (CCA), will ensure the CSG remains a decisive instrument of power projection well into the future. Failure to field next-generation carrier aviation capability on schedule will introduce risk to air superiority, strike reach, and the long-term viability of carrier-based operations in contested environments.

Reserve Aircraft Recapitalization

As the Navy's only organic intra-theater airlift asset capable of movement of oversized cargo like F-35 engines, munitions, special warfare boats, and submarine periscopes, the C/KC-130T flies across the world resupplying the Fleet with necessary equipment every day, enabling the uninterrupted operations of carrier strike groups, independent deployers, and expeditionary forces. The Navy's legacy C/KC-130T airframes average 35 years of age and are declining in readiness due to fatigue life limits and diminishing manufacturing sources and material shortages. The number of legacy C-130 operators within DoW has decreased as the Air Force divests of legacy aircraft. This will continue to reduce part supply as suppliers exit the space and thus will ultimately further degrade readiness.

Each mission-capable Navy Unique Fleet Essential Airlift (NUFEA) C/KC-130T provides an annual cost avoidance of $47.9M in transportation costs. Prior funding for KC-130J recapitalization will enable the expansion of capabilities for legacy C-130s through the addition of integrated aircraft survivability equipment and secure communications, ensuring the intra-theater airlift mission for the Navy will continue in a contested logistics environment. To continue this important modernization, PB-27 procures nine KC-130J aircraft.

Stingray

The MQ-25A Stingray is the "pathfinder" for future unmanned carrier aviation and will significantly increase the strike range, capacity, and lethality of the Carrier Air Wing through its tanking capabilities. A MQ-25A sortie replaces multiple F/A-18E/F Super Hornets fighter of conducting air-to-air refueling missions, returning those fighters to focus on combat missions and extending the operational range of strike aircraft. Despite early development delays, the Navy is confident in the aircraft's design, following a successful first flight completed in April 2026. The PB-27 budget procures 29 MQ-25A airframes over the Future Years Defense Program (FYDP), marking a critical investment in extending the reach and effectiveness of the Carrier Strike Group.

MARINE CORPS MODERNIZATION

Marine Corps modernization is designed to strengthen today’s crisis-response obligations while responsibly modernizing the force. At a time when our adversaries continue to field advanced weapons and capabilities designed to erode our long-held warfighting advantages, we must remain ready to fight today while building the capabilities required for the future. In alignment with the priorities set by the National Defense Strategy (NDS), the Marine Corps is continuing our modernization campaign. We are sharpening our lethality, strengthening naval integration, and modernizing how we modernize.

The Marine Corps is currently in the implementation phase of Force Design. This is not a static plan but a continuous, threat-informed, concept-based, iterative Campaign of Learning (CoL), tested in wargames, refined in exercises, and proven in real-world operations. This CoL ensures that capabilities and formations mature through measurable performance before scaling and is pursued with the institutional humility to adapt as the character of war changes. To accelerate our modernization, we have established the Marine Corps Force Development Enterprise Modernization Working Group to increase the velocity of delivering integrated capabilities to the fleet. New organizational structures and deep collaboration across the Department of the Navy empower this effort.

For 250 years, the Marine Corps has continuously adapted to meet the demands of the Nation, and 2019 marked the introduction of the Force Design effort. Force Design is no longer theoretical; it's happening now and is operational. Purpose-built units like the 3rd and 12th

Marine Littoral Regiments (MLRs) are operating in the Indo-Pacific today, campaigning in the first island chain and deterring adversary aggression. We are aggressively fielding new technologies and capabilities to make our Marines more lethal and survivable in contested environments.

Fires

The Marine Corps prioritizes fires that contribute directly to naval campaigning by enabling sea denial and supporting sea control through distributed, survivable, land-based, and expeditionary lethality. A key example is the Navy-Marine Expeditionary Ship Interdiction System (NMESIS). NMESIS is a ground-based offensive anti-ship capability, launched from a highly mobile platform, that contributes to the fleet's ability to achieve sea control and sea denial and defend against maritime threats. NMESIS enables Marines to hold adversary surface vessels at risk from expeditionary locations, complicate enemy decision-making, and expand the options available to the Fleet and Joint Force.

The system will be further expanded with the Multiple Launch Rocket System (MLRS) Family of Munitions (MFOM) Launch Unit (MLU), currently under development, to provide enhanced flexibility and targeting options from the same platform. The Marine Corps is also modernizing the broader fires portfolio to improve precision, responsiveness, and affordability across echelons, ensuring infantry formations have organic reach while higher echelons retain the capacity to integrate long-range fires with joint sensing and targeting. Organic Precision Fires (OPF) will provide Marines with an organic loitering-strike capability that increases tactical-level reach and lethality.

Ground-Based Air Defense

The Marine Corps is investing in Ground-Based Air Defense (GBAD) and counter-UAS capabilities to protect distributed forces, preserve freedom of maneuver, and enable naval forces to operate forward with reduced operational risk. This approach includes fielding and maturing expeditionary systems, such as the Marine Air Defense Integrated System (MADIS) and its lighter variant, L-MADIS, as well as the Medium-Range Intercept Capability (MRIC), which integrates sensors, command and control (C2), and interceptors to defend key assets and forward forces. In conjunction with TPS-80 Ground/Air Task Oriented Radar (G/ATOR), Marines can

detect air threats, rockets, artillery, and mortars, and defend against cruise missiles and manned and unmanned aerial systems.

Unmanned Systems

Unmanned systems are a core element of lethality. The Marine Corps is equipping Marines with a multi-layered approach to unmanned technology and diversifying its fires portfolio through the integration of unmanned systems. The Marine Corps has established the Drone Dominance Task Force (DDTF) to accelerate integration efforts to meet critical needs for increased range, lethality, precision, and sensing. This lethal drone initiative is informed by years of experimentation and development, including those from Marine Corps Special Operations Command, the Infantry Battalion Experiment (IBX), the Marine Corps Warfighting Lab (MCWL), and the Marine Corps Attack Drone Team (MCADT). We are actively incorporating drones into the fires portfolio of our infantry formations at the lowest tactical level. This provides infantry battalions with organic fires previously only available at much higher echelons.

Tactical Mobility

The Marine Corps continues to invest in mobility and expeditionary maneuver to ensure Marines can operate effectively from austere locations and across challenging terrain in support of naval objectives. The Amphibious Combat Vehicle (ACV) is the Marine Corps' ship-to-shore warfighting platform that enables maneuver on both land and water. The ACV has several Mission Role Variants (MRVs), including command-and-control, personnel, improved lethality, and tactical recovery variant. In FY27, the ACV program transitions from production and development to the operations and sustainment phase of the system development life cycle. The Marine Corps is also investing in the Advanced Reconnaissance Vehicle (ARV), a purpose-built combat system, highly mobile on land and water, that can sense, communicate, and fight as the "quarterback" of a robotic and autonomous systems enhanced team. The ARV will have the computing power and communications capacity necessary to operate modern sensors, weapons, and autonomous systems while persisting forward in austere operating environments. The PB-27 request supports designing and building pre-production systems, which are critical for validating key technologies and maturing the vehicle's design ahead of future production.

The Joint Light Tactical Vehicle (JLTV) is the unitary replacement for the HMMWV and is central to the Marine Corps Light Fleet Modernization. The JLTV provides mission profile-compliant ground mobility with scalable protection for ground forces and supports multiple mission role variants such as MADIS and NMESIS. The Marine Corps remains fully committed to the JLTV program. Our Light Tactical Vehicle (LTV) fleet composition requirements and JLTV acquisition objective have not changed. The PB-27 request procures 341 JLTVs.

Logistics

Sustaining forward, distributed forces in today's operating environment requires a logistical web capable of surviving in a contested environment. Marines operate in contested environments every day, with all-domain threats targeting logistics capabilities, locations, and activities. To mitigate these threats, the Marine Corps is prioritizing a holistic approach via institutional investments in key capabilities across our logistics portfolio. We are modernizing logistics to ensure that distributed forces can persist in contested environments and remain combat effective. The Marine Corps, therefore, emphasizes resilient sustainment through prepositioning, improved distribution, and the integration of unmanned resupply to reduce reliance on long, vulnerable supply chains.

Global Prepositioning Network (GPN) strengthens naval force responsiveness and deterrence by positioning critical Marine Corps equipment and sustainment capabilities forward to enable rapid force closure, distributed operations, and crisis response with minimal warning. Our GPN includes prepositioned assets both ashore and afloat, in support of service and theater requirements. We are also exploiting emerging autonomous unmanned aircraft system technology to provide tactical-level distribution capabilities to elements across the MAGTF. Systems such as the Small, Tactical Resupply Unmanned Aircraft System (TRUAS) are providing ground commanders with responsive, diversified distribution across tactical levels of logistical throughput. Larger Systems, such as the Medium Aerial Resupply Vehicle Expeditionary Logistics (MARV-EL), are in development to enable manned aviation assets to focus on loads and missions appropriate to their capabilities while providing the commander with an unmanned platform that can be exposed to higher levels of risk than would be acceptable for manned aircraft. In the maritime environment, we are experimenting with the Autonomous Low-Profile Vessel (ALPV). This low-cost unmanned logistics capability can conduct long-

range resupply to distributed forces while reducing risk to personnel and manned platforms. These capabilities will provide a diverse and resilient portfolio of multi-modal sustainment options for distributed forces.

Conclusion

The challenges ahead for fielding and scaling Navy and Marine Corps combat capabilities are real, but so are the opportunities. We have a clear and executable strategy. We are making smart, targeted investments in weapons systems, our workforce, and our industrial base. With your continued support, we will remain the world's preeminent naval force ready to defeat any adversary now and in the future.