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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

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ON
DEPARTMENT OF THE NAVY FISCAL YEAR 2025
BUDGET REQUEST

BEFORE THE
HOUSE ARMED SERVICES COMMITTEE

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Introduction

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

America's Identity as a Maritime Nation

Flanked by two oceans, the United States is and has always been a maritime nation. Our economy, like the world's economy, flows through the sea. Ninety percent of global trade travels by sea. Ninety-five percent of international communications and roughly 10 trillion dollars in financial transactions each day transit via undersea fiber-optic cables. In the U.S., seaborne trade carries more tonnage and value than any other mode of transportation, generating 5.4 trillion dollars in annual commerce and supporting 31 million American jobs. There is no doubt: the seas are the lifeblood of our economy, our national security, and our way of life.

For 248 years, Congress has provided and maintained a Navy-Marine Corps team that has preserved America's access to the seas. From the founding of our Nation to the World Wars of the 20th century, America's naval forces have fought and won our Nation's battles to keep open the sea lines of communication that guarantee our prosperity and security. In every ocean, we uphold and protect the post-World War II rules-based international order that we fought to establish and have continued to defend for nearly three quarters of a century.

The Geopolitical Landscape

Our Nation's security and prosperity, and by extension the rules-based international order, is under threat from multiple fronts across all domains, including the maritime. The People's Republic of China (PRC), Russia, Iran, the Democratic People's Republic of Korea (DPRK), and Violent Extremist Organizations (VEOs) desire to rewrite the global rules-based order for their own political, military, and economic interests. They threaten access to waterways, ports, and key logistics hubs, which are critical to the U.S. and the global economy. They seek to control key maritime chokepoints like the Taiwan, Hormuz, and Bab al-Mandeb Straits in order to exploit sea control and subsequently deny the U.S. Navy, U.S.-flagged, and other internationally flagged commercial shipping freedom of maneuver.

As the National Defense Strategy (NDS) makes clear, the PRC is America's pacing challenge, representing the most comprehensive and serious challenge to our national security. It is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do so. Its coercive and aggressive behavior threatens to refashion the Indo-Pacific region and the international system to suit its interests and authoritarian preferences. Over the last twenty years, the PRC used its considerable economic

wealth to revolutionize its maritime capability to rival and contest ours. In that short time, the PRC tripled the size of its Navy and is on pace to surpass 400 ships by 2030. Simultaneously, it has created a world-wide network of ports, railways, and roads through its Belt and Road Initiative, expanded its strategic nuclear capacity, advanced its offensive and defense cyber and space capabilities, built up its rocket force, created man-made islands to extend its vast territorial claims over the South China Sea, and developed sophisticated munitions in an attempt to keep the United States military and our Allies and partners at range.

Russia continues to challenge American interests and to pose an existential threat to our Allies and partners in the North Atlantic Treaty Organization (NATO) as evidenced by its unprovoked, unjust, and reckless invasion of Ukraine. Russia has the world's largest nuclear arsenal, is battle-hardened, and is on a wartime economic footing. It continues to violate the core principles that uphold global peace and security, seeking to change borders of sovereign countries by force. We will continue to work with our Allies and partners to blunt Russian aggression and support Ukraine in its fight for territorial integrity and democracy.

Other persistent threats include the DPRK, Iran, and VEOs. The DPRK continues to expand its nuclear and missile capability to threaten the U.S. homeland, deployed U.S. forces, and our Allies and partners in the region, most notably Japan and South Korea. Iran continues to destabilize the Middle East with its support for militant groups' malign activities, its advancing nuclear program, and its harassment of maritime commerce in the Strait of Hormuz and the Arabian Sea. It continues to build and export missiles and missile architecture, unmanned aerial vehicles (UAVs) systems, and advanced maritime capabilities to VEOs worldwide – not just in the Middle East. Most notably this year, the world saw Iranian weapons used by the Houthis to disrupt the free flow of maritime commerce in the Red Sea.

Navy's FY25 Strategy-Driven Budget Request

The Navy's budget request for FY25 funds a strong, global Navy that is postured and ready to deter potential adversaries, protect our homeland, respond in crisis, and, if called, win decisively in war. Nested under the National Security Strategy (NSS) and NDS, the Navy's FY25 budget request is strategy driven with a focus on the PRC as the pacing challenge, while keeping a weather eye on the acute threat of Russia and other persistent threats like the DPRK, Iran, and VEOs. It supports the United States Marine Corps Force Design, implements Distributed Maritime Operations (DMO), and executes the 2022 Chief of Naval Operations Navigation Plan. It fully funds the Columbia-class submarine and the nuclear architecture that underpins it, allocates resources to our operations and readiness accounts that will keep our naval forces forward to defend our global interests, prioritizes resources to fund the Submarine Industrial Base (SIB), and maintains 31 amphibious ships per our Title 10 requirement.

However, the 2023 Fiscal Responsibility Act (FRA) imposed constraints that required us to make hard choices. Given the discretionary spending caps and the 0.7 percent topline increase, the Navy's FY25 budget request favors readiness for the near-term fight and the need to meet our congressionally-mandated peacetime mission over the modernization we will need for the future.

As our Nation’s founders recognized, naval power is – and will continue to be – an essential element of our national security. The actions your Navy has taken this year in the Indo-Pacific, the Eastern Mediterranean Sea, the Red Sea, and elsewhere to defend American interests are a direct result of years of readiness investments in our Navy-Marine Corps team. Our actions illustrate how past investments and decisions made by our leaders in Congress, the Navy, and industry affect our ability to meet our mission today. More importantly, our Sailors’ actions on, under, and above the seas to defend the rules-based international order demonstrate the value of investing in a strong naval force.

Within this constrained fiscal environment, we must continue that investment in our Navy-Marine Corps team to meet the threats of this challenging environment. We must put more ready players on the field – platforms ready with the right capabilities, weapons and sustainment and people who are ready with the right skills, tools, training, and mindset – to ensure we are fully prepared to fight and win our Nation’s wars in this decisive decade. We cannot afford to keep players on the field that can no longer contribute to our ability to win decisively. The Navy’s FY25 budget reflects that need and reflects my priorities of Warfighting, Warfighters, and the Foundation that supports them that I set forth in my America’s Warfighting Navy document in January 2024.

Warfighting: Delivering Decisive Combat Power

The Navy views everything through a warfighting lens. Operating in support of the NSS, NDS, and National Military Strategy, the United States Navy is a critical element of the Joint Force, upholding international norms, providing access to free and open oceans, and ready to deliver decisive combat power as part of a Joint and Combined Warfighting Ecosystem. The FY25 budget request ensures our ability to execute globally distributed sea control and sea denial and guarantees our ability to fight and win our Nation’s wars, if called.

Strategic Deterrence Investments. The FY25 Budget Request fully funds the Nation’s top defense acquisition priority and the Navy’s contribution to our strategic deterrence: the Columbia-class ballistic missile submarine, the second life extension of the Trident II D5 Ballistic Missile, and the Take Charge and Move Out (TACAMO) command, control, and communications suite.

Procurement Investments. With 88 ships on contract and 66 under construction already, the FY25 request invests \$32.4 billion in shipbuilding, funding six battle force ships (one Virginia-class submarine, two Arleigh Burke-class destroyers, one Constellation-class frigate, one San Antonio-class amphibious transport dock, and one Medium Landing Ship) and providing incremental funds for two Ford-class aircraft carriers (CVN 80 and CVN 81) and the USS Harry S. Truman (CVN 75) Refueling and Complex Overhaul. The budget request funds a total of \$189 billion across the FYDP for 57 total battle force ships.

Notably, the budget requests \$7.3 billion for the procurement of the first Virginia-class Block VI submarine and will initiate a nine-ship planned multi-year procurement beginning in FY25. It funds two Arleigh Burke class destroyers, including completion funds for three FY23 and two FY24 ships, and continues investment in the Constellation-class frigate program, which gets

more players on the field with increased lethality, survivability, and capability. Additionally, it bolsters our investment in the Navy-Marine Corps team and our commitment to USMC Force Design and the Expeditionary Advanced Base Operations concept by maintaining 31 amphibious ships, providing \$1.6B in FY25 to the fourth San Antonio Class LPD FLT II, adding funds across the FYDP to support amphibious ship recapitalization in LPD Flight IIs in FY27 and FY29, and funding 8 Medium Landing Ships through the FYDP.

Ship Decommissionings and Divestments. The FY25 budget requests the decommissioning of 19 ships, 9 of which have completed their normal lifecycle and 10 that are divestments before the end of their expected service life. This is a return on investment decision, based on a hull-by-hull assessment of each ship's material condition, life remaining, cost and time to upgrade, and warfighting relevancy.

Readiness Investments. Our Navy must be able to put players on the field that are *ready* with trained crews, ships and aircraft ready to operate, and with capable weapons systems and munitions. Despite FRA constraints, the Navy's FY25 budget request provides \$34.6 billion – an overall increase of \$200 million from the FY24 request – to Fleet readiness to support flying and underway steaming at levels that support our Fleet's global operations. It funds the reality that readiness is the key enabler for naval superiority and that ship, submarine, and aviation operations are the Navy's core capability and the foundation of maritime dominance.

The FY25 request funds \$7.6 billion – an increase of \$600 million from the previous year – in ship operations, providing the fuel, parts, and support necessary to train the Fleet and deploy it worldwide and investing in the critical maintenance for Military Sealift Command's support ships. The budget request supports a Fleet average of 58 days underway per quarter for deployed ships and 24 days per quarter for non-deployed ships. Out of the total \$10.6 billion in Navy-Marine Corps flight operations funding, the budget request funds \$6.8 billion in Navy flight operations, funding approximately 600,000 Navy flying hours to resource Fleet preparation and execution of training and operational requirements.

In regards to maintenance, we must get our ships, submarines, and aircraft in and out of their availabilities on time and on cost. The budget request funds \$14.5 billion in ship maintenance, including 58 ship availabilities, and covers private contracted availabilities as well as the Navy's four public shipyards, regional maintenance centers, and intermediate maintenance facilities. It also provides \$1.3 billion in aviation maintenance that paces the Fleet Flying Hour Program, funding 328 airframe and 1,486 engine events and sustaining aviation investments in depot overhauls and aircraft spares to increase mission capable aircraft numbers.

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

Navy has procured five ships through the Buy-Used Program and plans to procure two more in FY24 and two more in FY25, which will meet the congressionally mandated limit. The Navy supports modifying the current congressional restrictions on the Buy-Used Program to allow the Secretary of Defense authority to purchase foreign built, used vessels without limitations. This authority would allow the Navy to accelerate surge sealift Fleet recapitalization immediately, while continuing to support U.S. shipyard industrial base.

The FY25 budget request continues this current recapitalization strategy to buy and modify two used vessels per year across the FYDP, while executing the current planned retirement schedule. The Buy-Used program provides a stable acquisition profile with forecasted maintenance and repair costs to meet strategic mobility requirements at a moderate level of risk. Additionally, the Navy is partnering with MARAD and USTRANSCOM to develop requirements for a range of new sealift construction options from basic sealift vessels for the Ready Reserve Force to purpose-built Maritime Prepositioning Force vessels.

Investments in the Hybrid Fleet. The Navy continues to invest in its hybrid fleet and in the enabling capabilities that will support all current and future unmanned programs of record. By leveraging America's unmatched innovation base, the Navy intends to augment our highly capable, existing platforms with a host of optionally manned and unmanned platforms operating under, on, and above the seas. This will extend our reach, expand our ability to distribute our forces, and enable us to deliver larger volumes of kinetic and non-kinetic effects across all domains to fully support the Joint Force. These technologies are being developed in Navy laboratories, with industry partners, and onboard the Navy's unmanned prototypes and tested in real-world scenarios.

To deliver these capabilities at the speed of relevance, the Navy is working to improve the acquisition process. The Navy's newly established Disruptive Capabilities Office (DCO) is focused on the most promising, game-changing technologies and getting them from prototype, to scale, and into the hands of our warfighters as quickly as possible. The DCO reports directly to me and the Secretary of the Navy. Simultaneously, the Navy is fully supporting OSD's Replicator effort and Defense Innovation Unit to rapidly procure and scale technologies that will ensure our warfighting advantage.

Network Investments. In order to ensure warfighting advantage, we must guarantee decision superiority for our warfighters. With this in mind, the FY25 budget request invests \$140M in FY25 with a total of \$716M across the FYDP in Project Overmatch. Through Project Overmatch – the Navy's contribution to Combined Joint All Domain Command & Control – we are fielding the connective tissue for today's Fleet, while developing and experimenting with what is needed for our hybrid fleet. Using modern software methods and pipelines, we are fielding software-based networking technologies to provide as many pathways to connect and share information as possible, as well as software applications that aid decision makers and planners in executing DMO. To date we have fielded our first increments of Project Overmatch across multiple Carrier Strike Groups and shore command nodes. The FY25 budget request will fund our follow-on increments of this capability, while growing the architecture, adding resilience and redundancy to our communications paths, and expanding into additional domains in conjunction with our Joint partners and Allies.

To provide more secure, resilient, and reliable means to C2 our naval forces, the FY25 request continues procurement and installation of satellite communications systems to include Satellite Terminal (transportable) Non-Geostationary Terminals, and Portable Receive Terminals as well as a wideband anti-jam modem system that protects vital SATCOM links. Our investments will result in the modernization of the Automated Digital Network System to a Software-Defined Network that will increase capacity and capability afloat and ashore for operational continuity. This investment supports our operational architecture and creates tangible warfighting advantages by providing access to resilient, high-speed, low-latency bandwidth at sea.

Cyber Investments. The FY25 budget requests invests \$1.55 billion in enhancing maritime cyber capabilities while also maximizing our investment in joint cyber capabilities defined via U.S. Cyber Command's goals and objectives. In 2023, the Navy released our Cyber Strategy to ensure alignment with national strategic guidance and to define context-specific lines of effort and outcomes across the intersection of the maritime domain, information environment, and cyberspace to enhance national security. The FY25 request executes that strategy and continues investment in cyber, which includes procurement of software, upgrades, and technical support and increased development of support for cryptologic modernization solutions. These investments explore, test, and accelerate integration of non-kinetic capabilities that provide our forces with cost-effective offensive and defensive options.

The budget request also invests in cryptographic and cybersecurity modernization, reducing the threat in the rapidly evolving digital landscape. We have increased support for cryptologic modernization solutions, upgrading all operational devices so we stand ready to operate against future quantum computing threats. In cybersecurity, network modernization will allow us to rapidly integrate learning from initiatives like Project Overmatch in order to provide our Sailors the best-in-class technology, at speed, across all of our platforms. Our Cyber Mission Forces stand ready to conduct full spectrum cyberspace operations in all domains.

Workforce Modernization. The Navy is updating its human force structure to ensure it has a workforce well-versed in cyber and unmanned technologies. To advance a truly hybrid fleet, we need to develop warfighters for the next generation who ruthlessly pursue warfighting excellence, who can deliver the advantage of autonomous and unmanned systems and who can operate and innovate alongside their systems. To meet this challenge, the Navy established the maritime cyber warfare officer designator and the cyber warfare technician rating in FY24. With this new designator and rating, the Navy now has a holistic group of cyber warfighters trained to address the most challenging cyber threats. We have also established foundational Navy-provisioned offensive cyber training, adjusted tour lengths, and maximized incentives, improving our cyber team readiness by 20 percent over the last year. In February 2024, the Navy established a new robotics warfare specialist rating to build and develop a team with experience in sensors, platform autonomy, and mission autonomy program. These Sailors will serve as the operators, maintainers, and managers of our hybrid fleet, planning and controlling our future unmanned systems.

Allies and Partners Investments. The Navy recognizes that we will never fight alone. Our Allies and partners are our true strategic advantage and a fundamental component in putting more

players on the field. They are force multipliers. Moving forward, we will design and drive interoperability with our Allies and partners into our systems and processes to deliver combined lethality in support of the rules-based international order we protect together. A cooperative deployment program, combined with a robust international exercise program, highlighted by the Rim of the Pacific (RIMPAC) Exercise this year, underscores our commitment to working alongside our Allies and partners.

The Navy is committed to strengthening the bonds with two of our closest allies and fulfilling our US commitments to the Australia-United Kingdom-United States (AUKUS) enhanced security partnership. This once-in-a-generation opportunity demonstrates our shared interest in a free and open Indo-Pacific based on international law and serves to uplift the warfighting capability of our three nations. Through the establishment of a conventionally armed, nuclear-powered attack submarine capability in Australia and the development and operationalization of advanced technologies and warfighting capabilities, we will build our collective technical and industrial capabilities to deliver next-generation interoperable systems that deter aggression and win in war, if necessary.

Investments in the Arctic. The Arctic is critical to America's safety and economic prosperity. Maritime presence and competition in the Arctic has grown to include many non-Arctic nations, as faster and cheaper trade routes become available due to increasingly navigable waters. To meet this challenge, the FY25 budget request provides \$47 million in FY25 and \$252 million across the FYDP for Arctic research, training, and operations. The Navy, Marine Corps, and Coast Guard must ensure all navigation and exploration – fishing, oil, and natural gas – remains in accordance with internationally recognized rules and norms. We will continue to work with our Allies and partners in the region – Canada, Iceland, Denmark, Sweden, Finland, Norway, and the United Kingdom – to ensure a peaceful and stable Arctic. The U.S. Navy remains ready to respond to changing geopolitical and climate conditions in the Arctic.

Warfighters: Strengthening the Navy Team

The Navy's active and reserve Sailors, our Navy civilians, and our families are our asymmetric advantage and give our Navy the decisive edge. I could not be more proud of our Navy team, who executes our Navy's mission every day. We must continue to build strong warfighting teams, recruit and retain talented people from across the rich fabric of America, and provide them world-class training and education. We remain committed to improving our Sailors' Quality of Service, which includes Quality of Life and Quality of Work. Within FRA Caps, the FY25 budget request provides \$41B – a 2 percent increase over FY24 – for an active duty force of 332,300, which includes a 4.5 percent pay increase for our Sailors, and invests \$2.8B for 57,700 reserve Sailors, aligned with Fleet force structure changes.

Manning. Simply put, the Navy needs more people to meet our mission requirements around the world. Over the last year, we averaged more than 18,000 manning gaps at sea, primarily in our apprentice ranks. Because of this, the Navy continues to prioritize seagoing billets for deployed and next-to-deploy forces to ensure all operational units are fully ready to support national tasking. We are offering increased incentives for our Sailors to remain at sea or return to seagoing billets through programs like the Advancement-to-Position program.

Retention. Our first line of effort in ensuring our Fleet is manned is to retain the Sailors we currently have. Overall, Navy retention remains healthy. We ended FY23 meeting or exceeding our retention benchmark forecasts across most of our zones of service and are on-track to meet FY24 retention targets. To continue this momentum, the FY25 budget's personnel funding paces a strong economy by offering our Sailors a complete compensation package, providing competitive pay and benefits as well as basic pay increases and cost increases for housing, subsistence, and basic needs allowances. It invests \$84 million more than the FY24 request in enlistment and re-enlistment bonuses. The Navy also extended the High Year Tenure (HYT) Plus pilot program indefinitely, which allows our Sailors to negotiate new orders to valid, vacant billets, or to extend their current assignment to the normal tour length to stay in past HYT gates.

Recruiting. The root cause of our manning challenges is our recruiting challenge. Although the Navy missed its FY23 recruiting goal by 7,000 Sailors, we contracted 6,000 more Sailors than we did in FY22. We are using all available levers to maximize the effectiveness of recruiting for FY24 by seeking innovative ways to attract individuals who are qualified and willing to serve. This starts by connecting people that live in every zip code to our Navy story and by spreading our message to areas of untapped potential, far from our bases and installations, and with little or no exposure to the Navy. We are recruiting in previously under-served markets, presenting in new places like gaming events and in the virtual world to create awareness beyond our traditional talent base, and expanding our market penetration through enhanced marketing and advertising via multi-channel means (social media, connected television, and online presence).

The Navy is also evaluating organizational and policy initiatives to improve recruiting and expand the pool of qualified, motivated, and capable applicants that meet our standards. This past year, the Navy established the Recruiting Operations Center to establish a more effective enterprise approach to recruiting, elevated Commander, Navy Recruiting Command to a seasoned 2-star Admiral position to provide better oversight and direction, and increased recruiter manning for greater reach and production. To expand opportunities to join our team, we raised the recruiting age from 38 to 41 years old, established the Future Sailor Preparatory Course, both Physical Fitness and Academic, increased enlistment bonuses to attract high quality recruits for high demand ratings, increased the number of Category IV recruits to match rating demand, and began accepting high quality (AFQT 50 and greater) Tier III recruits.

Education & Training. In an effort to prepare our warfighters for the future fight, the Navy's FY25 budget request prioritizes Sailor education by investing \$25 million in the expansion of the United States Naval Community College (USNCC) to 25,000 students by FY26 and by fully funding Tuition Assistance Programs. The Navy is committed to Naval University System wholeness, giving our Midshipmen at the United States Naval Academy, our officers at the Naval War College, our officers, enlisted, and civilians at the Naval Postgraduate School, and our enlisted Sailors across the Fleet every opportunity to succeed. We continue to see great results from the USNCC with over 3,500 Sailors, Marines, and Coastguardsmen currently enrolled in eight different academic programs. Additionally, through other initiatives like Live, Virtual, and Constructive training, Ready Relevant Learning, and the Fleet Learning Continuum, the Navy is ensuring our Sailors have the professional knowledge, skills, and training to be ready to meet and excel in its national security tasking.

Quality of Service (QoS). QoS remains among my highest priorities as CNO. The Navy remains resolute in our obligation to care for and deliver QoS to our Sailors, both active and reserve, our civilians, and our Navy families because they are our most important resource. Within a constrained budget environment, the FY25 budget request continues our significant investment in QoS with \$816 million to Quality of Life (QoL) and \$536 million to Quality of Work (QoW) initiatives. The budget request includes a \$523 million increase in Quality of Life initiatives over FY24 and pulls every lever to sustain deserved pay increases for our Sailors, increase BAH and BAS allowances, and fully fund barracks sustainment and operations.

To demonstrate the Navy's commitment to improving QoS, the Navy established a QoS Cross Functional Team (CFT) to improve our Sailors and families' QoL. Reporting to the Secretary of the Navy and me, the QoS CFT is Sailor-centric and focused on achieving both short-term and long-term goals to improve our Sailors' QoS. The CFT has made significant progress in addressing challenges faced by Sailors serving on ships and submarines at Huntington Ingalls Industries-Newport News Shipbuilding, including off-ship berthing, the availability of quality food, internet connectivity, and improved access to medical care and resources. The Navy intends to scale these initiatives Fleet wide.

Unaccompanied Housing (UH). The Navy's FY25 request fully funds barracks operations and sustainment and fully funds barracks recapitalization for fully scoped and ready projects. The budget request invests \$1.2 billion across the FYDP for barracks construction and renovations to repair poor and failing UH facilities. It invests \$206 million in FY25 – an increase of \$41 million from FY24 – for UH repair and addresses repairs to five CONUS facilities (Naval Air Station (NAS) Lemoore, NAS Oceana, Joint Base Pearl Harbor, Naval Base Kitsap, and Submarine Base Kings Bay) and one OCONUS facility (Naval Support Activity Bahrain). The FY25 budget request commits \$10 million in planning and development for UH projects across the FYDP and is expanding privatized UH in San Diego and Hampton Roads.

The budget also invests in adding Wi-Fi to all our UH. Beginning in February 2024, we commenced a Wi-Fi pilot (12 facilities/4K Sailors) in unaccompanied housing facilities at Naval Station Norfolk, Portsmouth Medical Center, and Norfolk Naval Shipyard. This pilot will run through the end of the fiscal year and will ensure the program is optimized to deliver connectivity and value to our Sailors prior to a wider roll-out across the Navy.

Childcare. The Navy is committed to meeting active-duty service member childcare requirements and is making steady progress on reducing the waitlist. As of March 2024, Navy has a Child Development Center (CDC) and School Age Care (SAC) waitlist of approximately 3,600 children, down from 5,300 at the start of FY23. To expand capacity and drive down the waitlist, the Navy is focused on staff recruitment and retention through increased pay and other initiatives, facility expansion through military construction (MILCON), and the Military Childcare in Your Neighborhood (MCCYN) Fee Assistance Program for those on the CDC and SAC waitlist. Currently, all active duty families on the waitlist have received MCCYN fee assistance. The Navy is extending the MCCYN program to Navy civilians this year.

In regards to MILCON, the Navy's FY25 budget request adds \$22 million in Facilities, Sustainment, Restoration, and Modernization funding for CDCs, \$23 million for CDC Planning and Design for future MILCON, and \$437 million for childcare operations. The following locations are areas of ongoing CDC construction projects: Naval Base Kitsap, Naval Base Point Loma, Naval Support Activity Hampton Roads, and Joint Expeditionary Base Little Creek/Fort Story. The Navy has 12 additional CDC MILCON projects programmed across the FYDP.

Healthcare. The Navy remains committed to our families and the need to provide affordable, high quality health care. Working closely with the Defense Health Agency and the Office of the Secretary of Defense for Health Affairs, the Navy's FY25 budget request invests \$1.9B across the FYDP to stabilize the health system and fully restore military medical manpower. This will ensure our ability to generate Navy operational medical capabilities to support high end competition, crisis, and combat, ensuring more players remain on the field.

Mental Health. The Navy is committed to ensuring our Sailors have access to the full continuum of mental health resources with the right care, at the right level, and at the right time. Our FY25 request increases funding for Mental Health and Suicide Prevention services by \$52 million – a 173 percent increase from FY24 – and fully funds the 21st Century Sailor Readiness and Resiliency and Suicide Prevention and Response initiatives, which enable Sailors to seek help earlier and often, but before a crisis. We continue to assign more chaplains to seagoing units and provide more mental health specialists to Fleet concentration areas. Right now, 43 percent of our mental health providers are embedded with the Fleet, providing proactive prevention and treatment.

Additionally, in 2023, the Navy implemented the Brandon Act, which honors the life of Petty Officer Third Class Brandon Caserta. The Brandon Act streamlines access to mental health support for all our Sailors and reduces stigma by fostering a culture of support for those seeking help. Also, in 2023, the Navy published the Mental Health Playbook, which assists command leaders in preventing mental health issues from occurring, and, when they do, shows them how to connect Sailors with the proper mental health care. We remain committed to providing our Sailors the support they need.

Sexual Assault Prevention & Response. The Navy is committed to providing a safe work environment free of sexual assault and sexual harassment for all our Sailors and to advancing a culture of Great People, Great Leaders, and Great Teams that drive healthy command climates. The FY25 budget request invests \$353 million in the recommendations made by the Independent Review Commission on Sexual Assault in the Military (IRC-SAM) with a focus on prevention, climate and culture, and victim care lines of effort. The budget requests includes funding for the phased hiring of Integrated Primary Prevention Workforce, the phased drawdown of collateral duty SAPR personnel, and for training and education. On December 28, 2023, the Navy's Office of Special Trial Counsel (OSTC), led by a rear admiral (O-7) who reports directly to the Secretary of the Navy, became fully operational. This independent prosecution office, staffed by experienced, specialized, and well-trained professionals, now exercises disposition authority over the Navy's most serious personnel violence offenses, including sexual assault. Beginning in January 2025, the OSTC will also review formal,

substantiated complaints of sexual harassment further supporting a safe and secure working environment for all Sailors.

Foundations: Build Trust, Align Resources, Be Ready

The Navy must have a robust, strong, and resilient foundation that supports our warfighters and warfighting. This begins by recognizing installations and shore infrastructure as warfighting platforms—as aircraft carriers that do not get underway—and investing in the shore as a weapons system. The FY25 budget request continues our investment in installations, shipyards, the SIB, and the weapons industrial base to ensure they are resilient and mission-ready and can generate and sustain our warfighters and our warfighting.

As in FY24, the Navy's FY25 budget request provides large investments in the health of the industrial base, providing clear headlights to industry on our build plans. In line with the Secretary of the Navy's Maritime Statecraft initiative, we are exploring additional ways to further invest in industry and increase shipbuilding capacity through multi-year, block buy purchases and investments in workforce development and supply chain resiliency. This requires a whole-of-government effort. In order to deliver the Navy the Nation needs, the Navy is pulling every available lever to expedite the necessary ships, aircraft, and weapons to our warfighters — by continuing to partner with industry, academia, interagency and allied partners to solve our most pressing challenges and by improving our ability to maintain existing platforms.

Installation Investments. The FY25 budget requests allocates \$10.5B across the FYDP to piers, airfields, aviation facilities, maintenance facilities, and core utilities to meet the Nation's needs. Because shore infrastructure is vital in enabling global logistics, the Navy is repairing and updating critical waterfront utilities, making structural repairs to wharves and docks, and building and repairing taxiways and hangars. We are investing in our critical utility systems, upgrading water, wastewater, and electrical generation, distribution, and treatment capabilities to improve resiliency, quality, and reliability and minimize risk to mission. In energy, we are pursuing micro grids and continuing to aggressively conduct and learn from black start exercises, which are designed to test an installation's ability to continue mission during a total loss of commercial power. Because most of our power originates off-base, the Navy continues to partner with local and state communities and Allies and partners, to improve resiliency inside and outside our fence line to support the Fleet.

Shipyards Infrastructure Optimization Program (SIOP) Investments. Our FY25 request invests \$2.8 billion in SIOP and provides \$9.0 billion across the FYDP, continuing our commitment to this once-in-a-generation investment in our four public shipyards. This is on top of our FY23 and FY24 requests of \$1.9B and \$2.7B. We must ensure our shore enterprise is fully funded, reinforced, and upgraded to prepare for war. The average age of the Navy's shipyard facilities and related infrastructure is 61 years old and the average age of our dry-docks is 101 years old. SIOP is a needed investment in repairs, modernization, and recapitalization to deliver dry-docks that can support current and future classes of our nuclear-powered submarines and aircraft carriers, optimize workflow through changes in the physical layout of the shipyard, and increase productivity through technology and equipment upgrades.

The FY25 budget request funds the following: the fifth increment of the P-381 Multi-Mission Dry Dock Extension (\$401 million) at Portsmouth Naval Shipyard, the third increment for the P-209 Dry Dock 3 Replacement at Joint Base Pearl Harbor Hickam (\$1,199 million), first increment for P-1062 Dry Dock 3 Modernization at Norfolk Naval Shipyard (\$54 million), P-859 CVN 78 Aircraft Carrier Electrical Upgrades at Naval Base Kitsap (\$182 million), and planning and design requirements (\$183 million) for future construction efforts.

SIB Investments. The Navy's FY25 budget request reflects our prioritization of and significant investment in our undersea warfare capability. The Department of Defense's FY25 budget request invests \$4.0 billion and \$11.4 billion in the FYDP in the SIB, sending a strong signal to and increasing the health of industry, building our supply chain resiliency, bolstering our long-term capacity and supporting the AUKUS partnership, all while ensuring readiness for today. The FY25 request doubles the approximately \$2.0B SIB investment Congress provided in FY23 and FY24. This significant investment is on top of the President's FY24 \$3.3B SIB Supplemental request and the planned investment of \$3B from the Commonwealth of Australia. These actions meet a generational demand for an increase of at least 100,000 skilled workers over the next ten years to build the Columbia-class submarine, deliver the Virginia-class submarine, and maintain our in-service submarines.

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

Weapons Industrial Base (WIB) Investments. The Navy's FY25 budget request invests \$6.6 billion in critical munitions and builds on the FY23 and FY24 weapons industrial base and procurement investments. The budget request continues the multi-year procurement for four critical munitions across the FYDP: Standard Missile (SM), Naval Strike Missile (NSM), Long Range Anti-Ship Missile (LRASM), and Advanced Anti-Radiation Guided Missile (AARGM). The Navy remains committed to working with industry to identify manufacturing challenges and provide investment opportunities to streamline testing and increase production.

Additionally, the Navy is investing in industry and in its organic industrial base to ensure we can ramp up munitions production in the immediate future. Building upon the FY23 and FY24 requests, the FY25 budget request invests \$227M to expand capacity for Trident II, Long Range Anti-Ship Missiles, Standard Missiles, and MK-48 torpedoes. We welcome supplemental funding to help replenish munitions expended in the Red Sea.

Typhoon Mawar. The Navy is committed to repairing the damages done by Typhoon Mawar in Guam. Current damage exists at \$44 billion with over \$6 billion in facility repairs and reconstruction in FY24 and FY25, complicating our ability to meet the NDS and impacting QoL for residents and service members. With the accelerated degradation of our shore installations and infrastructure compounded by the increased demands of our QoS investments, it is important

that the Navy obtain the Guam Disaster Recovery supplemental in a timely manner in order to begin recovery from the typhoon's damage.

Red Hill. The Navy remains committed to rebuilding trust with the people of Hawaii and service members, civilians, and families affected by the Red Hill fuel leaks. Joint Task Force-Red Hill has safely removed 104.6 million gallons of fuel—over 99 percent of previously held fuel reserves—6 months ahead of schedule, and turned over responsibilities to Navy Closure Task Force-Red Hill (NCTF-RH) on 28 March. NCTF will execute the permanent closure of Red Hill and continue long-term environmental remediation and aquifer restoration efforts. The Navy team in Hawaii continues to work alongside the EPA and Hawaii Department of Health to provide water that meets all federal and state safe drinking water standards, while transparently communicating with elected representatives, community groups and the public.

Industrial Base Workforce Development. Our recruiting efforts are about more than recruiting active duty Sailors. It is about a broader “call to service” to active duty and reserve Sailors and workers supporting the industrial base that covers the spectrum of support to our Nation. The Navy appreciates Congress’ continued support and is working closely with industry partners to strengthen and grow the defense industrial base workforce through the SIB, multi-year procurement contracts, and SIOP to help build a comprehensive, coordinated, and sustainable development system to deliver skilled trade workers. For example, the SIB is working closely with regional training partners across the country to improve workforce attraction, recruitment, training, and retention in order to achieve the increased capacity to design, build and sustain the platforms and systems the Navy and Nation needs.

Additionally, the DDG 51 multiyear procurement contract for FY23 included a workforce development incentive that supports essential enhancements, including workforce housing and transportation, expansion of local talent pipeline programs, facilities modifications in support of workforce development, attraction and retention bonus programs, and augmented on-the-job training. And, through SIOP and our recapitalization of century-old infrastructure, we are improving QoS for our 30,000 shipyard employees. But, we must do more. Alongside government and industry, we must explore ways to support QoL concerns in order to ensure that these workers have affordable housing, commutes, and food options.

Conclusion

The Navy continues to meet its Title 10 mission to be organized, trained, and equipped for the peacetime promotion of the national security interests and prosperity of the United States and for prompt and sustained combat incident to operations at sea. Our operations around the world demonstrate that an investment in America’s Navy is an investment in America’s security and prosperity. We answer the bell, from the seabed to space, in cyberspace, and in the information environment. No other Navy in the world operates at this scale and no other Navy in the world can train, deploy, and sustain such a lethal, globally deployed, combat-credible force.

As our Nation’s founders recognized and as seen this year, naval power is – and will continue to be – an essential element of our national security. The Navy’s FY25 budget request invests in that reality and prioritizes warfighting advantage to win in this decade. Through our Performance

to Plan, Get Real Get Better, and Culture of Excellence 2.0 initiatives, the Navy is instilling a mindset that makes the most out of each dollar we receive to build the best Navy possible. We are committed to ensuring the American taxpayer knows that each dollar invested in the Navy is a dollar well spent on their safety, security, and prosperity.

The credibility of our Nation's deterrence rests upon ready and capable ships, aircraft, and submarines. The investments we make now will shape the global maritime balance of power for the rest of this century. I could not be more proud of our Navy team that guarantees our prosperity and security, deters our adversaries, and is ready to fight and win if needed. The Navy will continue to work alongside all stakeholders and our Allies and partners to deliver the Navy the Nation needs. On behalf of our more than 600,000 active and reserve Sailors, Navy Civilians, and Navy families, I am grateful to this committee and to your colleagues in Congress for your steadfast commitment to your United States Navy.