STATEMENT OF

DAVID M. WENNERGREN

DEPARTMENT OF THE NAVY CHIEF INFORMATION OFFICER

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

TERRORISM, UNCONVENTIONAL THREATS AND CAPABILITIES

SUBCOMMITTEE

6 APRIL 2006

Mr. Chairman and distinguished members of the Terrorism, Unconventional Threats and Capabilities Subcommittee, thank you for inviting me to discuss the Department of the Navy's (DON's) employment of information technology to significantly increase the readiness, effectiveness, and availability of our warfighting forces.

Our experience during the Global War on Terrorism has underscored the potential of net-centric operations, enabled by information technology (IT), to increase combat power and effectiveness. The recently completed Quadrennial Defense Review (QDR), and our Department of the Navy Objectives and Information Management/Information Technology Strategic Plan, cite achievement of fully realized net-centricity as the prime objective toward which our IT efforts are targeted.

Concurrently, the need to maintain our competitive advantages over current and potential enemies requires us to dramatically transform our management and business practices. The DON is concentrating its efforts on the complex task of transforming processes central to our operations while vigorously prosecuting a war. The successes we have achieved have made us stronger, more efficient and more effective; the results of our continued action will bring us closer to our vision of a naval warfighting team armed with the secure, assured, accurate and timely information needed to fight and win.

ENHANCED WARFIGHTING CAPABILITY

Swift and effective use of information is the heart of net-centric operations. Near-instantaneous collection, analysis, and dissemination of information, coupled with

computer-driven decision aids, will enable joint force commanders to make more informed decisions focusing overwhelming offensive and defensive firepower over tremendous distances from widely dispersed forces. Integrated intelligence from joint military, interagency, and coalition sources will enable us to identify and neutralize threats far from our shores, locate and destroy anti-access challenges in littoral waters, and engage adversaries on land and in the air. Compiled data will inform critical functions, such as joint command and logistics, ensuring operational effectiveness and timely support. At present, the DON is concentrating on three elements essential to our developing net-centric capability: reachback, mission assurance and open architectures.

Our Sailors and Marines operate all over the globe, often as members of joint and multinational forces, and frequently in extremely austere communications environments. For them to participate fully in net-centric information sharing, we must expand our warfighters' reachback capabilities. We must migrate from client-server solutions to web services and service-oriented architecture and provide the bandwidth necessary to make the information and collaboration capabilities our warfighters need available to them whenever they need them, wherever they are. In instances where this type of reachback has been established, the results have been dramatic. The Distance Support portal, employing web-based applications, enables Sailors afloat or otherwise removed from technical experts ashore to perform maintenance and repair activities that previously required those experts to be physically present. Maintenance actions requiring onsite technical assistance were reduced from 93 % to 44 % between July 2004 and June 2005.

To support migration to a web-centric environment, the DON has begun implementing a portal strategy. We will integrate and align existing portal efforts to provide secure access to all DON information management/information technology capabilities through a single point, further improving efficiency and security, and simplifying self-service transactions for our Sailors, Marines and civilians. This enterprise portal strategy will make discovery and retrieval of information easier, and provide access to standard enterprise applications and databases. Our aggressive data management effort will ensure that net-centric solutions use authoritative data sources for optimal decision-making in both the warfighting and support domains.

The DON has embarked on an information technology infrastructure rationalization effort, the result of which will be a core set of networks that support the Navy-Marine Corps team. ONE-NET (our OCONUS network), Integrated Shipboard Network System (ISNS – our afloat network), the Marine Corps Enterprise Network (MCEN) and the Navy Marine Corps Intranet (NMCI – our shore-based network) will form the nucleus of a naval network infrastructure based on common standards to provide effective and consistent information access around the globe. NMCI provides network-based access to enterprise processes and applications. Because all users are within the same network, interoperability and security are markedly improved. Further, the NMCI Network Operations Centers provide around-the-clock network services and support, and the network's multiple pathways ensure continuous connectivity, regardless of local disruptions.

The security of our information, systems, personnel and critical infrastructure assets is essential to net-centric operations. The DON's mission assurance approach includes three components: (1) protecting our information and information systems through Information Assurance (IA), (2) protecting our critical assets through Critical Infrastructure Protection (CIP), and (3) safeguarding our military and civilian members through individual privacy protection. These efforts will ensure the reliability, availability and integrity of DON information and information systems; protect our people and defend the infrastructure supporting our mission-critical capabilities.

The Department is in the midst of an aggressive effort to accelerate the use of cryptographic logon to our networks employing DoD PKI digital certificates on the Common Access Card. Use of the Common Access Card to gain access to networks and secure websites is dramatically improving security by addressing the vulnerabilities associated with the use of user identification and passwords. Implementation of Homeland Security Presidential Directive 12's mandate for secure and reliable personal identification and common identification standards across the Federal government will further improve security and strengthen personal identity and privacy protection. Under this directive, our Common Access Card will be the single physical access card for DoD installations. Implementation will improve the security of our bases and people, while also providing an interoperable and consistent solution for physical access to DoD facilities.

The Department of the Navy Critical Infrastructure Protection (DON CIP) initiative continues to identify, prioritize, assess, remediate and protect those infrastructure assets (both cyber and physical) most critical to successful operations plan execution. In partnership with the Assistant Secretary of Defense for Homeland Defense and NORTHCOM, DON CIP is building on its success in developing robust vulnerability assessment and consequence management tools to provide self-assessment capabilities and continuity of operations plans for all of our systems and bases.

As we develop and secure our reachback capabilities, it is imperative that we employ open architecture and standards-based commercial solutions, to maintain flexibility and the adaptability to react to changing requirements and exploit new technical developments offering possibilities for increased combat power or efficiency.

BUSINESS PROCESS TRANSFORMATION

We recognize that we must continue to transform our business processes to eliminate unnecessary duplication and make process improvements. This will support the QDR identified process reform goal for the Defense Community. We are improving organizational alignment to reduce overhead, streamlining processes to eliminate non-value-added functions and leveraging technology to replace labor-intensive tasks. The Secretary of the Navy has directed mandatory training in and DON wide use of Lean/Six Sigma, a set of tools and methods for continuous efficiency improvement. "Lean" is employed to identify and remove non-value-added activities from processes, reducing cycle time and increasing productivity. "Six Sigma" methods improve quality, reduce

variability, and measure performance. Using Lean/Six Sigma, numerous DON activities

have achieved "order of magnitude" efficiency and productivity improvements. For

example, The Naval Aviation Enterprise (NAE) has brought together the commands

responsible for managing components of naval aviation into a single aligned team,

focused on a single outcome-based metric, "Aircraft Ready for Tasking." Using industry

proven best practices for continuous improvement in an initiative known as "AIRSpeed,"

NAE has achieved marked success. Some examples of which are:

- Reduced H-46 aircraft turn around time from 215 days to 135 days.

- Reduced F/A-18 engine turn around time from 83 days to 12 days.

- Reduced response time of "Rapid Deployment NAVAIR Engineering Teams" in

  support of troops in theater from 12 days to 3 days.

As we improve our organizational alignment, we are working aggressively to move away

from locally-developed, stand-alone solutions to Enterprise-wide, commercial-based

solutions that enable us to consolidate our portfolio of IT investments into the minimal

set of applications, databases, servers and networks necessary to deliver the capabilities

needed by our fighting forces and support organizations. A striking example of this

process in action is the change underway in Navy installation management. With the

stand-up of the Commander, Navy Installations Command, the responsibilities of eight

installation management claimants have been consolidated into one organization. The

development of standardized processes, policies and practices is enabling an enterprise-

wide approach to installation management and reduction of thousands of local

applications into a few core systems. Integration will speed up and improve decision

processes, while aligning efforts across the Navy. Dramatic streamlining of processes and systems will reduce reporting sources from 2283 to 132.

In another example of process improvement enabled by technology, the Marine Corps' Total Force Administration System (TFAS) replaces multiple manual processes with a suite of applications accessible from any web browser. Individual Marines are empowered to correct erroneous or outdated information in their records, providing individual satisfaction and more accurate personnel information to Marine Corps leaders at all levels. In late 2005, TFAS was averaging 100,000 self-service transactions per month, reducing the need for administrative center assistance. When its full capability is realized, TFAS will enable the Marine Corps to convert 750 administrative billets to other manpower requirements.

We are using enterprise software licensing agreements to reduce costs and provide our Sailors, Marines and civilians with the software required to perform their missions. The Oracle Enterprise Software License (ESL) has resulted in considerable savings and other benefits; consolidating over 170 maintenance agreements into one, with significantly lower prices for licenses and product support. Unrestricted access to Oracle database software is available to all Navy personnel - active, reserve, civilian, retired and contractor - supporting rapid deployment of Oracle-based applications in a network-centric environment. The ESL permits greater application management flexibility by allowing license transfer across the Navy enterprise, enabling software asset management that further reduces life cycle costs of Oracle database licenses. Oracle database licenses

and product support deployed to date using the ESL have resulted in cumulative projected savings of $42 million through fiscal year 2012, and is just one of a number of agreements in place with numerous commercial providers exercising the Department's buying power.

The DON established senior headquarters functional process owners to serve as Functional Area Managers (FAMs) to spearhead a concerted effort to rationalize the Department's legacy applications and embrace portfolio management best practices. Our FAMs are responsible for working with Echelon II and Major Subordinate commands to align processes and identify the IT portfolio required to execute the Department's mission. As examples of our commitment to consolidation, the Chief of Naval Operations has established a goal for the Navy to reduce legacy IT investments 20% by the end of fiscal year 2006. The Navy's Logistics community, one of our largest in terms of business IT, has challenged itself to reduce its legacy investments by 25% over the same period.

Related to our internal portfolio management is the work we share with the Defense Business System Management Committee (DBSMC) and the Defense Business Transformation Agency (BTA). The DBSMC's capability portfolio approach is the right way to tackle the task of getting to the right set of investments for the DoD Enterprise. The work got off to a strong start in fiscal year 2006, and momentum continues to build. BTA's integration mission is important to achieving improved horizontal alignment. The strong leadership and vigor that Mr. Brinkley and Mr. Modly have brought to Business

Mission Area transformation have produced excellent results during their tenures, and I anticipate that the pace of improvement will continue unabated.

One of our greatest challenges is rapid fielding of technology answering urgent warfighter requirements, and we have been successful in these efforts. For example, there existed in the fleet a critical requirement for a solution to the complex problem of maintaining safe navigation, situational awareness and a fused intelligence picture in heavily trafficked sealanes. Additionally, many of our partner nations are faced with a multitude of other challenges at sea, including combating human trafficking, illegal immigration, piracy and oil theft. Consequently, the Chief of Naval Operations made maritime domain awareness, and development of an Automatic Identification System (AIS) a prime objective for the Navy in fiscal year 2006.

Employing the Rapid Deployment Capability (RDC) process for AIS fielding initiation and the Office of Naval Research's Rapid Technology Transition (RTT), AIS went from program initiation to fielding in just two months. Development cost for this largely commercial technology was approximately two hundred thousand dollars. AIS shipboard installation commenced in March 2006, and is expected to be complete aboard surface ships and deployed submarines during the first quarter of fiscal year 2007. Ships equipped with AIS be able to "see" and follow twice as many merchant vessel tracks in their Common Operational Picture as they previously could.

Despite major initiatives like NMCI, Navy ERP and GCSS-Marine Corps, DON IT funding requests have remained relatively flat. While part of this trend may be attributed to the removal of some tactical platforms from the IT budget, it also reflects discipline on the part of the Department's leadership and a focus upon programs that are aligned with DON and DoD strategy and truly advance the Department's mission effectiveness. We have implemented a number of important processes to ensure that information technology investments are sound and aligned with DoD goals. Each IT investment is reviewed for compliance with DoD architecture, security and business modernization requirements. We also issue contracting and budget execution rules for comptrollers and contracting officers to ensure that resources are spent only on projects that align with our Strategic Plan. Maintaining the funding levels requested in the President's Budget is essential to our consolidation efforts, security improvements, and progress toward fully net-centric capability.

The Navy-Marine Corps team, working in concert with DoD and the other Components, is making great strides toward achieving net-centricity and the business process transformation we need to maintain America's warfighting advantage into the future. Continued Congressional interest and support has proven to be invaluable in setting the course and providing the impetus to move these initiatives forward. I am confident that we have the right leadership and processes in place to guide us the rest of the way. The prospects for the Department and the Nation are bright.

Mr. Chairman and members of the Subcommittee, I thank you again for the opportunity to speak to you today. We greatly appreciate the support you have given us, and I look forward to our continued collaboration. I would be happy to answer any questions you may have about the Department of the Navy's information technology and business process transformation initiatives.