

ORAL REMARKS OF
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SECRETARY OF THE NAVY
BEFORE
THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
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Mr. Chairman, Senator Levin and distinguished members of the Committee, thank you for the opportunity to appear before you. A major focus of these hearings will, of course, be the budget we have submitted. As it is my first appearance before the committee since you confirmed me, I thought it might be most useful, however, to say something about my personal priorities.

I have an urgent near term priority and two particularly important longer term priorities. The urgent priority is to improve the morale and well-being of our Sailors and Marines. The longer-term priorities are: First, to reduce the cost of doing business for the Navy and Marine Corps, so as to free up more money for procurement, modernization and research and development; Second, to bring new ~~doctrines and new technologies~~ and new doctrines to bear so that the Navy and Marine Corps are better able to serve this nation in the first decades of the 21st century.

As to the first goal, there has been much discussion recently about pay and benefits, particularly retirement benefits. I think the President's budget before you makes attractive, helpful and sensible proposals in this regard. There will be debates about yardsticks, comparability, inflation indicators,

etc. My view of the matter is simpler. We can never pay Sailors and Marines enough for what they do. The sacrifices inherent in the risks of combat and the discomforts of deployment away from families are too great to be fully compensated in dollars. Worries about families, retirement and day-to-day bills are compelling Sailors and Marines to leave the Navy and Marine Corps for civilian occupations even those that are plainly of less value to them and the Nation.

For me it is not a subtle question when we are paying too little. Our Sailors and Marines (and for that matter, our Soldiers and Airmen) tell us: they tell us in words and they tell us by leaving. Of course, people would always like to be paid more. But my judgment, with some experience in these matters, is that we are losing too many good people, at too fast a rate, to be tolerable, and I take seriously the statements of many that with better pay and better retirement they would be staying with us. The cost of that better pay and better retirement is small as compared with the cost of losing these trained people. For these reasons, it has been, and will remain, a priority of mine - and, I know, of this committee - to see substantial improvement in this regard.

I believe that the President's budget takes a significant step toward meeting the needs of our Sailors and Marines with its proposed pay adjustment triad,

including: significant across-the-board increases in basic pay; pay table reforms shifting the emphasis to reward promotion rather than longevity; and retirement reform changes.

But money is not the be-all and end-all. To the contrary, I think we misunderstand our problems and mismanage them if we simply throw money at our problems. Sailors and Marines are suffering now not simply from a deficiency in pay but from overwork as well. This overwork manifests itself in a pattern of sixty-hour weeks, of excessive demands between, as well as during deployments, and of frustration because there is too little time and too little equipment to do a good job even while working strenuously. I have been in office less than ninety days, but the budget before you includes a program for "Smart Work" that reflects some of my priorities in this regard. We need to give Sailors and Marines the tools and equipment that will enhance the quality of their work place while reducing the number of hours they have to work. Illustrative investments include: money to procure a new type of water tight door that will replace the high maintenance, antiquated type that now burdens us; acquisition funds for basic equipment that will make scraping and painting less cumbersome; and resources to install a central freshwater cooling system for reduction gears to reduce ship s depot

maintenance costs.

A further priority of mine, reflected in some measure in the budget, but also in non-budgetary management initiatives, has been to develop a program to reduce the manpower mismatches and shortfalls that have resulted in 22,000 unfilled billets in the Navy. The CNO and I have now developed a plan to reduce this number by 4,000 this year, 7,000 next year, and 4,000 the year after. Elements of this program include: planning extensive use of civilians rather than sailors on shipyard work for carriers in overhaul; reissuing existing policy to encourage high year tenure waivers for good performing E-4s if they are willing to accept orders to sea/overseas duty; temporarily assigning students awaiting instruction to their ultimate duty station (but for no more than 20 weeks); and sending GENDET's to the Fleet for 15-21 months with guaranteed follow-on A School. In parallel with these measures, I have also taken a number of steps to raise the prospects of meeting the Navy's recruiting goals, correcting for a shortfall last year.

More broadly, I have spoken out with respect to what I perceive as the remnants of a pervasive "psychology of conscription" throughout the Armed Services. We all know that we no longer use the draft to coerce military

service. We know, and are committed to the notion, that military work demands decent pay and not conscripted wages. But our personnel and budgetary systems still too often treat people as though they were essentially a free good. Too often, weeks and months are wasted while service members wait for schools and assignments. Too often, men and women are misassigned to jobs that don't use the skills we've provided them and don't treat them as professionals. This affects morale, and therefore concerns me with respect to my first priority. But, were this not enough, it also is wasteful. To alter this, I will be trying to make substantial management changes. I will be asking this Committee's help in this work.

Moving to the longer term, my hope and intent is to bring these two services, with this committee's support, to a position where we can operate and maintain ourselves at a lower on-going cost of doing business. The smart ship innovations delineated in the program before you are representative of this emphasis and were particularly accelerated by me in the brief period I had to affect this budget after coming to office. The program before you accelerates smart ship procurements and installations on AEGIS Destroyers and Cruisers; reduces ship operating costs through installation of automated command and control equipment in LSD 41/49 classes; and procures and installs smart ship

equipment on aircraft carriers across the FYDP. I continue to search for promising labor saving technologies available today for backfit or projected in the future for forward fit. This will free significant manpower and permit a greater percentage of ship crews to focus on warfighting.

Finally, I think there is important work to be done in adapting the Navy and Marine Corps to the security challenges of the next century. For the last several years, leaders of the Navy and Marine Corps have, in my opinion, grasped the correct central idea about our mission in the time ahead. While doing other important things - including control of the seas, maintenance of our primary overseas transportation and supply capabilities, and assurance of our primary nuclear strategic deterrent - the biggest challenge for the Navy and Marine Corps will be to bring power to bear "from the Sea" to the littoral. Littorals are coastal areas. They provide homes to over three-quarters of the world's population, sites for over 80 percent of the world's capital cities, and nearly all of the marketplaces for international trade. Because of this, littorals are also the place where most of the world's important conflicts are likely to occur.

To completely embrace and fully execute this mission, the Navy and Marine

Corps need a different kind of equipment and personnel priorities than they had in the past. In aviation, for example, the F/A-18E/F, Joint Strike Fighter and the V-22 all point in the right direction. In days gone by we might have designed airplanes like these with a greater priority on their aerial maneuver ("dog-fight") capabilities. The first two of these multi-capability aircraft have fighter characteristics, but they correctly assign primacy in their improvement over their predecessors to growth in their strike abilities. The F/A-18E/F is designed to execute the missions of the first quarter of the 21st century with greatly improved range and payload, room for avionics growth, and increased capability to conduct night strike warfare and close air support for ground forces. Its flexibility, reliability and survivability make it the right aircraft to fulfill the majority of missions associated with regional and littoral conflicts. The V-22 is capable of carrying 24 combat-equipped Marines or a 10,000-pound external load; it can fly up to a maximum of 397 miles per hour; and it has a strategic self-deployment capability of 2,100 nautical miles with a single aerial refueling. This VSTOL aircraft presents a revolutionary change in aircraft capability to meet expeditionary mobility needs for the 21st century.

In designing the ships of the future, I place a similar priority on our abilities to

deliver manpower and firepower to the littoral. The LPD-17, for example, has a capacity of 25,000 square feet of vehicle stowage and 36,000 cubic feet of cargo, can carry 720 troops and two LCACs, and can land four CH-46 helicopters or accommodate a mix of AH-1/UH-1, CH-46 and H-53E helicopters and MV-22 aircraft. Major improvements in command-and-control and ship self-defense systems will increase its ability to operate independently of the amphibious ready groups when required. Because 12 LPDs will replace 39 other ships, it also contributes significantly to my goal of reducing our cost of doing business.

The DD-21 is being designed not only to minimize costs, consistent with the second priority I have articulated, but also to greatly expand strike capability. It is being designed from the keel up to provide support for forces ashore. Leap ahead capabilities include advanced major caliber guns, precision weapons, signature reduction, seamless joint interoperability and enhanced survivability, reduced manning, and, very possibly, even an all-electric drive propulsion system. Its emphasis on sensor to shooter connectivity will provide a naval or Joint Task Force commander with the mission flexibility to counter any maritime threat and to destroy a variety of land targets.

In its future VIRGINIA class SSNs, and operations in support of the fleet and national tasking, our attack submarine force is making the transition from a blue water activity designed to combat Soviet submarines, to a powerful influence on events in the littoral. Submarines routinely provide about 20% of a typical carrier battle group Tomahawk land attack firepower. A submarine is often the platform of choice for the covert insertion and retrieval of special operating forces (SOF). Today's submarines and future VIRGINIA class SSNs have significantly improved anti-submarine warfare, mine reconnaissance and offensive mining capabilities. Finally, submarines provide crucial intelligence gathering capability in the littorals. In fact, even as our SSN force has decreased by nearly 50% since 1989, the amount of intelligence, surveillance and reconnaissance operations undertaken by submarines have doubled due to the national need for unique intelligence in troubled areas around the globe.

I should conclude by saying that while pursuing these transforming priorities, I am acutely aware, as I know this committee is, of the great day-to-day responsibilities your Navy and Marine Corps assume for this country. The Navy and Marine Corps are, and must be, always there for America.

In 1998 this meant naval operations across the globe, demonstrating the multi-mission capabilities of a maritime force. To disrupt the flow of illegal drugs into the United States, the Navy deployed substantial assets to the Caribbean and eastern Pacific, culminating in several large drug seizures. From the Indian Ocean and Mediterranean Sea, the Navy came to the aid of victims of natural disasters in both Kenya and Italy, assisting in those countries after severe rain and mudslides ravaged several areas. Again, the volatile Southwest Asia region continued to require the Navy's vigilance, flexibility and firepower, as our naval forces anchored ongoing operations in and around Iraq, keeping the pressure on a state that remains defiant in the face of international pressure.

Globally deployed, the Marine Corps responded to 16 contingencies during 1998. Whether transporting highly enriched uranium out of Georgia, providing humanitarian assistance to a flood-ravaged Kenya, or demonstrating resolve against Iraqi aggression, our Marines were on the scene in support of our National Military Strategy.

I cannot say --- no one can say --- where the Navy and Marine Corps will be especially called upon to meet the demands of this nation in 1999. I can say, however, that with this committee's support we will be ready. The budget

before you will make us ready and able in the year 2000. For longer than the life of this Republic --- for almost two and a quarter centuries --- these great seafaring services have always been there for America. Like you --- with you --- I am dedicated to assuring that they will be there in the century soon to come.

Thank you.