

CONGRESSIONAL TRANSCRIPTS

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House Armed Services Committee Holds Hearing on Global Maritime Strategy Initiatives

REP. SKELTON: Ladies and gentlemen, the hearing will come to order.

Members will come in shortly. After the vote yesterday, I'm sure that they would think that a hearing today is -- well, it's great to have our panel here.

December 13, 1775, anniversary today -- the Continental Congress authorized the first 13 frigates.

REP. DUNCAN HUNTER (R-CA): Build them soon.

REP. SKELTON: (Laughs.) And Duncan Hunter says we have to build them soon. (Laughter.) This is the 100th anniversary of the Great White Fleet.

"A good Navy is not a provocation to war. It is the surest guarantee of peace" -- President Theodore Roosevelt, December 2, 1902, in his second annual message to Congress. And we congratulate the Navy on its celebration of the Great White Fleet.

And as I have told my Navy friends many times, that my father served on the USS Missouri, which was part of that Great White Fleet. He served on it in 1918. And it was decommissioned the following year. That was when my father said that that's when they made men of steel and ships of wood, but I'm sure there was a little facetiousness there.

Well, thank you for being with us. It's a special treat. Actually we're making history today. Appearing before us, Admiral Gary Roughead, the chief of Naval Operations; General James Conway, commandant of the Marine Corps; Admiral Thad Allen, commandant of the United States Coast Guard. This is historic because this is the first time the (horns ?) of these three respective positions have ever testified today. And we are thrilled that you're here to discuss this.

And we're fortunate to count Elijah Cummings a member of this committee, who chairs the Subcommittee on Coast Guard and Maritime Transportation on the Transportation Committee, which has oversight of the Coast Guard. And hopefully, Admiral Allen, you will feel as comfortable here as you do before that subcommittee.

We're here today actually at the request of the service chiefs. You've asked for the opportunity to present to Congress a published doctrine entitled "A Cooperative Strategy for the 21st Century Seapower." And it should be in front of you in booklet form. And we welcome this opportunity to discuss strategic concepts.

I think that strategic thought gets lost in the minutiae of building systems, in trying to keep families and personnel at their highest level of capability. But it's important that we have a strategic thinking for our country, particularly in seapower. The seas don't get any smaller. Our Navy, sadly, gets smaller. And that, of course, is one of the challenges before us.

I will ask that my statement, so artfully drafted by an excellent member of the staff who is, as of 15 minutes ago, a new grandfather, Will Ebbs, who sits next to me -- and if he flees the room, it is understandable. Congratulations to you.

So with that, and without delving further into the need for strategic thinking or the military education that goes into it -- and hopefully we'll be able to touch on that; it was an area that I was blessed to study as a panel chair of this subcommittee a good number of years ago, so we may touch on that as well.

Duncan Hunter.

REP. HUNTER: Thank you, Mr. Chairman. And thanks for calling this hearing.

And gentlemen, good morning. And especially I'd like to join in Ike's welcome to Admiral Allen and also give a special welcome to Admiral Roughead, who appears before this committee for the first time as the chief of Naval Operations. Congratulations, Admiral, and best wishes to you in this assignment.

I understand that the strategy was developed in a non-resource-constrained environment, and it's not intended to replace the Navy's 30-year-old shipbuilding plan -- 30-year shipbuilding plan or budget-planning documents, and for that I applaud you.

For some time I've been concerned that the strategy of the Department of Defense is driven by the Office of Management & Budget. As you've heard me say in the past, I believe the greatest failing of the most recent Quadrennial Defense Review was the artificial constraint placed upon it by budget caps.

I understand that the availability of resources must shape our programs. But in order to make educated decisions, we have to start with a baseline understanding of the global security environment and what capabilities we need to protect the national security interests of the United States with minimal risk.

Only after determining requirements can we begin to make tradeoffs based on resource constraints in such a way that we understand where we are accepting risk. And that's why this committee initiated the Armed Services Committee Defense Review in parallel with the QDR to establish a framework for members to consider the recommendations of the QDR.

The irony is that with all the personnel available to the Department of Defense, the work that this committee did by taking a different, non-resource-constrained approach turns out to have been more representative of what the services now say that they need. And incidentally, I would turn your attention to the personnel end-strength recommendations that came out of the committee defense review as compared with the old QDR.

So I look forward to hearing more from you today about how you intend to translate this strategy into service-specific requirements which will form the basis of your request for resources.

However, with that said, the Navy, Marine Corps and Coast Guard don't have a good track record with regard to managing the resources that you've been provided. You're not alone, but that does not excuse the situation we find ourselves in.

On one hand, we have a critical need for modernization and DOD's planned investment in new systems that has doubled in the last six years, from around \$750 billion to nearly \$1.5 trillion. On

the other hand, there has been cost escalation on nearly everything from aircraft to ground vehicles to submarines and shipbuilding.

The GAO has found many times over that acquisition programs are too often started with immature technologies and without stable designs. Every time one of these programs experiences a Nunn-McCurdy breach or the cost of a ship more than doubles, the support for additional resources and modernization wanes.

Now, Admiral Roughead, when you and I had an opportunity to meet the other day, we discussed this. The LCS was supposed to be a small, fast craft that we could build in large numbers to operate in the littorals. Instead, they're over 400 feet, the size of World War II-era destroyers, operate at 45 knots, and cost nearly half a billion dollars apiece.

To date we've only been able to partially build two. And I fear that the Navy's talk of transformation is nothing more than a speech senior leaders give at the Rotary Club. And after coming off that podium and talking about having a Navy that's going to have fast ships with a low manning level, multimission capability and all the other things, we tend to stride off that podium and a reporter says, "Well, what are you building this year?" and you tell them, "We've got a carrier going and a couple of submarines, and maybe an LCS."

But the talk about transformation has essentially been that -- it's been talk.

You've had the opportunity to embrace transformation and you've chosen not to. And I want to point to the Sea Fighter -- the X-Craft that was built up in Mr. Larsen's district. Here was a ship built by the United States Navy by the Office of Naval Research, which is the fastest ship in the history of the world. It goes 60 miles an hour. It does it with a crew of 26. It can handle and does handle, in fact, a UAV, helicopter capabilities, special operations capability and has the ability -- if you use those modules in the right configuration, you could put over 500 medium-range cruise missiles on that ship. That gives you multiples in terms of capital investment versus firepower, manning versus cost, operations and maintenance versus cost. Huge multiples over the current state of affairs with America's war fighting ships, and yet the Navy has spent more time trying to kill the Sea Fighter than, in my estimation, do anything else with respect to platforms.

So gentlemen, with all due respect, I'm pleased that you've cooperated to develop the strategy that you're going to talk to us about today. I'm supportive of its tenets, but you're not going to be able to deliver if you can't afford the force that will make the strategy a reality. What are you planning to do to get control on requirements and to enable the acquisition community to more effectively manage their programs?

Lastly, I'll look forward to hearing more about a few specific elements in the strategy. First, the strategy states, "Today the United States and its partners find themselves competing for global influence in an era where they are unlikely to be fully at war or fully at peace." General Conway, I'm surprised that the Marine Corps would agree with such a characterization. Isn't the Marine Corps now fully at war? Are we being naive to think that we are in an era without the possibility of full war? And if so, how does this effect your need for resources in terms of in strength and weapons systems?

Second, the strategy advocates a concentration of forward-deployed forces in the Western Pacific and Arabian Gulf-Indian Ocean. At what expense? Where will we take risk if we pursue such

a strategy? Also, is this consistent with the recommendation contained in the strategy to establish a persistent global presence of U.S. forces? How will you accomplish both?

And finally, I'd be interested in learning how the growing influence of China, the expanding Chinese shipbuilding capacity, and the increasing capability of numbers of Chinese submarines and airpower shape the new maritime strategy. How is this strategy different as a result of these factors? And gentlemen, let me just tell you: One thing that I'm very concerned about is that China has an increasing domestic shipbuilding capability -- commercial shipbuilding capability. If that shipbuilding capability, which is presently focused on commercial construction, is translated or turned into warship construction, the Chinese government has the ability to quickly outstrip the construction of American ships and the fielding of a large Navy. So I'd like you to talk about that a little bit -- whether or not you're looking at America's shipbuilding plan against a backdrop of a China which is quickly stepping into the super power shoes that have been left by the Soviet Union, and which understands that the naval dimension of the new super power status is extremely important to their economic well-being, and also their ability to enforce their foreign policy, which at times may be contrary to America's foreign policy. So if you could address that, that's a very important point, I think, for us to look at as we come together on this policy.

With that, thank you, Mr. Chairman, for having this hearing -- very important hearing.

Gentlemen, thank you for being with us today.

REP. SKELTON: Before I ask our distinguished witnesses for their testimony, let me take this opportunity to again thank the members of this fantastic committee for the work that you all have done for the bill that passed yesterday overwhelmingly. And we, of course, all know that we could not have done it but for such an outstanding staff that we have to work with. And I just want to add my personal gratitude to every member and every staff member, because it was yeoman's work. We finally got there. Now it's in the bosom of the Senate and we hope they will pass it momentarily. And among other things, pay raises can go to the sailors and the troops.

Mr. Hunter, thank you very much.

We will testify in this order: Admiral Roughead, General Conway and Admiral Allen. So without further ado, thank you very much for this -- this all-important hearing to think strategically regarding our sea power.

Admiral.

ADM. ROUGHEAD: Thank you very much, Chairman Skelton, Mr. Hunter, distinguished members of the committee.

On behalf of our 600,000 sailors, Navy civilians and families, I'm pleased to be here with General Conway and Admiral Allen to present the cooperative strategy for 21st century sea power. That all three maritime service chiefs are here together, and are signatories to the strategy, is a testament of our nation's maritime forces to an integrated approach in protecting our nation's vital interests. We are a maritime nation. Our founders recognized it; our history has shown it; and this committee, with its leadership and interest, continues to reinforce it.

Our last maritime strategy, albeit a Navy-only strategy, was issued in the early 1980s. It contributed to the end of the Cold War, and because it was a Cold War strategy, its efficacy ended there. We have been too long without strategic guidance for our maritime forces. I'm pleased to

have been part of this maritime strategy development. It's a strategy that charts the right course for our maritime services at this point in time.

I'm of the fleet. My experiences of the past five years as commander of U.S. 2nd Fleet, NATO Striking Fleet Atlantic; as a maritime homeland defense commander supporting U.S. NORTHCOM; as the commander of Joint Task Force 519 in the Pacific; as the commander of the Pacific Fleet; and as the commander of United States Fleet Forces Command -- these experiences have given me a perspective of our worldwide operations that convinces me of the relevance of this maritime strategy. As recently as the year that preceded its release, I led robust operations in the Western Pacific, ranging in the full spectrum of sea power from multi-carrier operations in the Western Pacific to proactive, humanitarian assistance operations with our hospital ships Mercy, Comfort and Peleliu.

While at opposite ends of the operational spectrum, these uses of U.S. sea power demonstrated the need to codify our strategy and build for a new future. At the same time, my experiences working with our partners and allies around the world made it clear to me that international partnerships and cooperation will underpin global, and therefore, American prosperity.

Watching the successful Malaysian and Singapore and Indonesian operation, enhanced maritime security and maritime domain awareness in a vital strategic strait was incredibly important. And also, seeing our activities under the Proliferation Security Initiative to dissuade the transfer of weapons of mass destruction show that these cooperative opportunities and similar activities will be important to our future.

But my experiences and those of my colleagues were only part of what informed our new strategy. Through our conversations with the country, I heard firsthand the demand of the American people to remain strong and to also cooperate internationally to secure our national interests. This solidified my conviction that the Navy needed a new strategy that would address the changing and increasingly integrated global environment, while securing our prosperity through the seas and protecting our homeland.

At the International Sea Power Symposium in Newport, Rhode Island, the three of us unveiled this maritime strategy that uniquely met those demands before a record attendance of 98 nations, 67 chiefs of Navy, and 27 chiefs of Coast Guard. The symposium was the ideal venue to communicate our new vision and demonstrate our commitment to international cooperation. It was extremely well received.

And while the maritime strategy reaffirms our unbending commitment to forward presence, to deterrence, to sea control and power projection, it is unique for three reasons. First, all three maritime services participated in the development and are signatories. Second, we take the bold step of committing to a higher level of cooperation with maritime forces around the world, a commitment that we as seagoing forces are uniquely able to meet. And third, while we remain the preeminent warfighting force this maritime nation expects, we also intend to pursue proactive humanitarian assistance and disaster relief and maritime security operations.

My guidance to the fleet is to execute our strategy, and my priorities to build our future Navy, to maintain our current readiness, and support our people, reflect what is needed to do so. The imperative and challenge for the Navy is to remain a balanced Navy, with the force structure and capability and capacity that can apply the enduring principles of sea power in a manner that protects our vital national interests while promoting greater collective security, stability, trust, and prosperity.

I look forward to working with you to ensure that our maritime services remain preeminent. And on behalf of our sailors and Navy civilians, I thank you for your continued support and your commitment to our Navy. And I would like to submit a copy of my written statement and a copy of the maritime strategy for the record.

Thank you.

REP. SKELTON: Without objection, they'll be received.

General Conway?

GEN. CONWAY: Thank you, Chairman Skelton. Congressman Hunter, distinguished members of the Committee, I have pledged to always provide you with forthright and honest assessments, and I bear that in mind as I report to you today on the future of the Marine Corps.

Your Marine Corps is fully engaged in what we believe is a generational struggle against fanatical extremists. This Long War is multi-faceted and will not be won in one battle, in one country, or by one method. Your Marines are a tough breed and will do what it takes to win, not only in these opening battles of Iraq and Afghanistan, but also in subsequent conflicts which we endeavor to prepare for today.

Congressionally-mandated to be the most ready when the Nation is least ready, your multi-capable Corps is committed to fulfilling this responsibility. Some say that today the Marine Corps is closer to the Army than it has been since World War I. Our new maritime strategy reaffirms our naval character and reemphasized enduring relationships with the Navy and now the Coast Guard.

Current operations limit our ability to aggressively commit forces to strategy implementation at this time. However, as we increase our end-strength to 202,000 Marines and as security conditions continue to improve in Iraq, the Marine Corps will transition our forces to other battles in the Long War. Ultimately, we will realize a new era of expeditionary operations called for by this strategy.

The most complex mission in the maritime strategy is the congressionally-mandated mission of amphibious forcible entry. Such an operation requires a high level of proficiency and long-term resourcing and is not a capability that we can create on short notice.

The Seabasing concept allows us to maximize forward presence in engagement while stepping lightly on host nation responsibilities. In that manner, we avoid disruptions that can result from a larger U.S. presence ashore. A classic example was our recent operation alongside our brothers in the Navy in Bangladesh. Importantly, Seabasing is not exclusive to the Navy and the Marine Corps. It will be a national, joint capability.

Combat-tested in the Middle East with historical roots in the Pacific, the Marine Corps seeks to further enhance its operational capabilities in the Pacific theater. That said, some areas, like Africa, offer unique opportunities for the operational flexibility afforded by sea basing and the extended reach of aircraft like NV-22 and the KC-130J. The future bodes well for dispersed units of Marines with their interagency partners to enhance our relationships on that very large continent.

As America's naval forces implement this new maritime strategy, several factors warrant consideration. First, based on Defense reviews over the last several years, we have already accepted risk in our nation's forcible entry capacity. We've reduced amphibious lift from three to two brigade-sized assault echelons.

On the low end of the spectrum, Marines embarked aboard amphibious ships must also meet phase zero demands -- the ability to transition between those two strategic goalposts and to respond to every mission in between will rely on a strong Navy-Marine Corps team and the amphibious ships that cement our bond.

The Navy and the Marine Corps have worked together to determine the minimum number of amphibs necessary to satisfy the nation's needs and, further, look forward to working with this committee to support the CNO's shipbuilding plans.

Second, key to our ability to implement this new strategy is the flexibility and combat power of Marine aviation. Our priority has been to replace the legacy aircraft, some of which have been flying since Vietnam. Today and tomorrow, vastly more capable aircraft such as the Joint Strike Fighter will ensure that the Corps maintains its warfighting advantage for our nation in the years to come.

Third and perhaps most importantly, everything we read about the future indicates that well-trained, well-led human beings with a capacity to absorb information and rapidly react to their environment have a tremendous asymmetric advantage over an adversary. Ladies and gentlemen, that advantage goes to us.

Our young Marines are courageous, willing to make sacrifices and, as evidenced by our progress in Al-Anbar, capable of operating in complex environments. Quiet in their duty yet determined in their approach, they are telling us loud and clear that wherever there is a job to be done, they will shoulder that mission with enthusiasm.

Your continued support remains a vital and appreciated foundation to their service. Thank you for your magnificent support thus far, and thank you for the opportunity to report to you today on behalf of your Marines. I look forward to answering the Committee's questions, sir.

REP. SKELTON: General, thank you.

Admiral Allen, please.

ADM. ALLEN: Good morning, Mr. Chairman, Mr. Hunter, distinguished members of the Committee.

I'm very pleased to be here today with my fellow sea-service chiefs to discuss the cooperative strategy for the 21st century sea power. I'd like to begin by recognizing the leadership of Admiral Roughead and General Conway in spearheading an integrated strategy for our nation's sea services.

This approach reflects maritime challenges faced by our nation and offers a consensus on the way forward. While the strategy is new and takes on greater meaning, having been jointly developed by all three sea services for the first time in history, it continues to reflect enduring relationships built on more than two centuries of working together.

The cooperative strategy reflects our times. It is a convergence of leadership, ideas and capabilities. It is also a platform we can use to talk about how to best move this nation forward with confidence into a very uncertain future, an era of persistent and often irregular conflict, where the next challenge may be wholly new and unanticipated.

It is a global strategy that reflects the absolute necessity to integrate, synchronize and act with coalition and international partners, not only to win wars but, as Admiral Roughead has said, to prevent them.

Your Coast Guard is not a large organization, but we are broad in reach. As we meet here this morning, we have Coast Guard patrol boats working with our Navy, Marine and coalition partners in the northern Arabian Gulf, maintaining the security of the Iraqi oil platforms, sharing best practices with emerging regional navies and coast guards, as we have done in Yemen.

We're also working in the eastern Pacific and Caribbean with aerial surveillance and surface patrols, extending our reach and removing drugs from the transit zone before reaching shore. I am proud to say we reached a milestone in Coast Guard history this past year, having removed more cocaine at sea than any year in our history. That is maritime strategy in action.

Closer to home, we are saving lives of mariners in distress, securing critical infrastructure, inspecting commercial ships, and protecting the environment. We are at all times maritime, military, and a multi-mission service.

With our partners we bring critical capabilities to bear on this strategy and its future.

The Coast Guard is a unique instrument of national security. Unlike the other services and other federal agencies, we are simultaneously an armed force of the United States and a federal law enforcement agency. This dual character allows us to operate in many venues, domestically and abroad. In international engagement, we necessarily move beyond traditional relationships with maritime related ministries and military-to-military relationships with defense ministries.

Over two centuries, we have become agile in building multiple relationships with our foreign partners. The Coast Guard's role is also unique because of the capabilities and the history we have of operating in the world's polar regions. The cutter Healy, one of the Coast Guard's three icebreakers, returned this fall from a science mission off the North Slope of Alaska to determine the extent of the United States Continental Shelf, and appropriately timed the deployment given the changing Arctic environment and associated challenges.

The Coast Guard is the nation's most visible presence in isolated waters, and we must continue to be able to extend our reach, our competencies, our capabilities and our capacities in high-latitude regions. Equally important to the execution of the strategy is our expeditionary force capability that can quickly build and deploy force packages for environmental protection, disaster relief, security cooperation, and other missions. We are prepared to tailor and deploy operational teams immediately for full-spectrum operations. We are integrated with our sea service partners, and given the composition of our fleet, are able to work very closely with emerging, less-developed nations and coalition partners.

Mr. Chairman, my promise to the committee today, my promise to Admiral Roughead and General Conway, is that we will work tirelessly in implementation and execution of this strategy. Not only because it's the best thing for the Coast Guard, or the best thing for our sea service, which it is, but because it's the best thing for maritime security of the United States, as well as peace and stability around the world.

I thank you. I'd be glad to take your questions and submit a full statement for the record.

REP. SKELTON: Admiral, thank you very much. Again, it's a pleasure to have all three of you before us today.

In listening to you and your strategic outline, I've had the privilege of serving here in the House for a good number of years and it just seems like yesterday when President Ronald Reagan was urging a 600-ship Navy. And if we count everyone today it's a 280-ship Navy. And I think you will

find this committee understands the challenges, and also understands that there is a quality with quantity as well. And we, of course, want your best advice regarding that.

I have one quick question before I ask Mr. Hunter to lead off with the questioning. You're talking about strategy, which is strategic thought. Strategic thought is taught and discussed at our war colleges. And I remember back in 1988 when it was only a secondary thought in some services to receive an intermediate and senior-level war college degree.

Since that time much has changed. The Navy War College at that time was the best. But you didn't have to go there. It was good if it fit into the career. The Marine Corps, thanks to General Al Gray, did a complete 180-degree turnaround, which today makes us very, very proud of the Marine Corps, not just in its fragile staff level but now with its war college. I don't know how many Coast Guardsmen go to either intermediate or senior-level schools, but I think it behooves that to take place.

So let me ask one question, and I'll do it to you Admiral Roughead, if I may. Are you getting the strategic thinkers - uniformed strategic thinkers from the various war colleges, whether they be other service schools, your service school, or the national ICAF, or the Joint Forces staff college - are you getting those strategic thinkers that you need today?

ADM. ROUGHEAD: We are, Mr. Chairman. And I would like to say that our Naval War College was instrumental in the development of this strategy. And as you know, it's not the brick and mortar that contributes, it's the intellectual effort of the young men and women who are at the college -- who have gone through the college, who populate our strategic planning staffs.

So we are getting the numbers that we need. I believe the unveiling of the strategy in Newport, that drew 98 countries to that institution -- of which the Navy is extraordinarily proud, is indicative of the stature of our war college and the emphasis that we're putting on it.

I see the young men and women out and about in the fleet -- adding thought, adding their ideas, and I'm satisfied with the product that we're getting out of there.

REP. SKELTON: I've got to ask the same question of the other two gentlemen, but in the spirit of moving along, Mr. Hunter.

REP. HUNTER: Thank you, Mr. Chairman, again.

General, and thanks for being with us.

Admiral Roughead, in putting together this plan did you folks look at where you think China will be with respect to maritime power -- where it is today, and where you think it will be in 10 years.

ADM. ROUGHEAD: Mr. Hunter, we looked at changes in navies around the world. And what the maritime forces around the world -- how they were evolving, the technologies that were coming into play, their growth, and --

REP. HUNTER: But specifically, did you look at China -- because probably the Bangladesh navy may not be of too much importance, from our perspective.

ADM. ROUGHEAD: We looked at China, yes, sir.

REP. HUNTER: Did you make any - have you made any changes that you think are substantive changes, as a result of looking at the - at China's emerging maritime capability?

ADM. ROUGHEAD: Well, I believe a point that you highlighted in your opening statement was the concentration and focus of our navy, and our strategy in the Western Pacific and in the Indian Ocean region. And that concentration that we have called out for is a function of the growth in navies in those parts of the world - China in particular.

REP. HUNTER: Well, that's an operational change. But have you done anything with respect to the construct or the makeup of the U.S. Navy -- which, as the Chairman has mentioned, is at an all-time low in terms of numbers and the ability to cover important areas -- but have you looked at the, in your ship-building program, for the near future and for the long-run, have you made any analysis with respect to whether we're going to need more submarines, more missile platforms - the makeup of the U.S. Navy, have you looked at that?

ADM. ROUGHEAD: Mr. Chairman, we are always looking at what the appropriate force mix and balance should be, based on evolving naval trends around the world.

REP. HUNTER: Okay, here's my question: You said that you have looked the evolving trends of China, and you've looked at the emergence of China with its new maritime powers, is that accurate?

ADM. ROUGHEAD: Yes, sir.

REP. HUNTER: Okay. Have you made any changes in the long-range plans for construction of American vessels, whether undersurface or surface vessels, as a result of looking at China's evolution of their own maritime capability? In other words, is there any manifestation of changes that we've made as a result of looking at that?

ADM. ROUGHEAD: Yes, sir. I believe if you look at the capabilities --

REP. : Mr. Hunter, could we get --

ADM. ROUGHEAD: -- that we are putting in place --

REP. : Could we get the Admiral to pull the microphone in a little bit?

He's speaking off to one side. Yeah, if you get that mike a little closer there, Admiral.

ADM. ROUGHEAD: All right, sir.

We look at the capabilities that navies have that are evolving, China being one of them. And that has driven our advancements in certain capabilities, whether it be in anti-submarine warfare, ballistic missile defense, the command-and-control capabilities that we need on our ships as we operate globally as a global Navy. The strategy outlines, the overarching principles that we see, and then --

REP. HUNTER: Okay, but -- but in terms -- Admiral, I don't want to cut you off, but those are all aspects of naval warfare.

ADM. ROUGHEAD: Right.

REP. HUNTER: In terms of increasing or changing the mix in the construction programs that will produce the Navy of the future, have you made any changes there in terms of do we need more submarines, do we need more missile platforms, do we need more aerial platforms? Have you made any changes there as a result of the evolution of the Chinese maritime strength?

ADM. ROUGHHEAD: Yes, sir. The -- our force structure is examined and as we build our budgets, we look at what the current situations are around the world and we make adjustments to that. For example, the Littoral Combat Ship was -- even though it is -- it has tremendous application on littorals, it is also capable of running and providing enhanced ASW capability to our more traditional battle formations, our expeditionary strike groups and carrier strike groups. So LCS is a function of the need that we see for anti-submarine warfare, mine warfare and anti-surface warfare capability in areas where we see the threat evolving.

REP. HUNTER: Okay, so you're saying that the LCS, to some degree, has been derived from an analysis of where we think China is going?

ADM. ROUGHHEAD: We have derived LCS capabilities and numbers from what we see with naval developments around the world, to include China -- to include the evolution of systems that are proliferating around the world and can be used by others. So that is what drives our calculus for our force structure.

REP. HUNTER: Okay.

Thank you, Mr. Chairman.

REP. SKELTON: Dr. Snyder, please.

REP. VIC SNYDER (D-AR): Thank you, Mr. Chairman and thank you all for being here.

I wanted to ask a question that may seem unrelated to the topic of ships and how many and platforms and all. But the -- I know this is the summary document -- we've got the full document, but this one's more colorful -- a cooperative strategy for 21st-century seapower, and you have the three of your logos on it. But your document is very clear that it is cooperation you're asking for not just within the three of your organizations, but beyond, you know.

And the question I wanted to ask you is this. Secretary Gates a couple of weeks ago gave his speech on soft power, that I'm sure you've read some of the press reports about. He gave it at Kansas State and I quote it from it here, a couple of days ago when he testified in which he called for -- you know, here's the secretary of Defense calling for dramatic increases in funding for USAID and State Department and the kind of functions that they have. And I thought we had a pretty good discussion that day and he had -- did a very good job of discussing that.

Ironically as -- or perhaps coincidentally as we're coming here today to do your hearing in which you talk about a cooperative strategy and you talk about the importance of training your junior people on cultural sensitivity and language skills, and that you are not just a bunch of boats floating in the water off the shore -- that you have interaction with all the places in the maritime community you go to and that it's the relationships you build that allow for your effectiveness in humanitarian relief and the kind of things that can flare up.

But what I want to ask you about as you put on your kind of -- your broad hat and looking at the full nature of our national security, today's paper, in striking contrast to what Secretary Gates was talking about three weeks ago, has a Karen DeYoung story -- Washington Post -- "'Diplomatic posts at the State Department and U.S. embassies worldwide will be cut by 10 percent next year because of heavy staffing demands in Iraq and Afghanistan,' Director General Harry Thomas informed the Foreign Service yesterday." Now if I stop there, we can blame the State Department. But we can't blame the State Department. We need to blame ourselves -- the Congress -- for this.

Reading on, "The decision to eliminate the positions reflects the reality that State does not have enough people to fill. Nearly one-quarter of all diplomatic posts are vacant after hundreds of Foreign Service officers were sent to embassies in Baghdad and Kabul, and Congress has not provided funding for new hires. Many of the unfilled jobs will no longer be listed as vacancies." And that's just part of that story.

I'd like the three of you to comment as you put on your broad strategic hat -- how shortsighted are we as a Congress being if we're going to allow this kind of cutback to occur in what many of us think is an already understaffed, underfunded Diplomatic Corps and State Department? Let's start with you, General Conway. I'd just like to hear the three of you comment on that.

GEN. CONWAY: Yes, sir.

Sir, I wouldn't blame the Congress so much as I would simply agree with what Secretary Gates has said. My observations on the ground in Iraq and in visiting Afghanistan is that the interagency is powerful. It's got to be a partner in Phase Zero -- Phase One operations, but then in Phase Four and Phase Five. And it has simply not been resourced or manned over time in order to allow it to do that. So I don't know that the blame goes to any one place. I think there needs to be a better case made in some instances that there's an expeditionary culture or an ability to put people forward where they're need that I think you would resource, if convinced. So -- but there's no question in my mind about the absolute need now and in this long war.

ADM. ROUGHHEAD: If I could just add on to that, there's no question that when we come together with our partners in State Department and some of the missions that I talked about -- humanitarian assistance -- for example, we are operating one of our amphibious ships off the West Coast of Africa -- that when we work together, we can achieve some significant results, bring increased cooperation into our operations and it's a very powerful force.

ADM. ALLEN: Sir, the Coast Guard lives in both of these roles and so does our department, only in security. I would say the challenge goes beyond State Department and it has to do with deployable capabilities that can construct civil societies and do the things that are not kinetic related to the mission that you are trying to accomplish. The problem is these departments and agencies don't have people in garrison on a deployment cycle, ready to deploy, and that capacity and that capability is just not presently there, sir.

REP. SNYDER: I think that was one of the concerns that Secretary Gates has. I talked to Mr. Armitage about it and he thinks that the Congress -- that we need to build in a 10 percent -- throw out a number -- redundancy in the State Department because when we pull people for places like Afghanistan and Iraq, then when you all want to go off the coast of West Africa, the people aren't there because they've been pulled -- that the State Department people in the other civilian agencies -- the people aren't there because they've been pulled to do other jobs.

Thank you, Mr. Chairman.

REP. SKELTON: Dr. Gingrey, please.

REP. : May I interrupt --

REP. PHIL GINGREY (R-GA): Mr. Chairman, thank you. And --

REP. SKELTON: Excuse me, Doctor, just a moment.

I just learned we not only have one vote, but we have, it appears, four votes. And I feel obligated to apologize to our distinguished witnesses, but we will do our best to make your short recess as short as possible. But it is necessary for us to make the votes. But we shall return and we beg your indulgence, and we hope we have you for a great part of the day.

Doctor.

REP. GINGREY: Mr. Chairman, thank you.

General Conway, Chief Admiral Roughead, Admiral Allen, we thank all three of you for being here and for your service. I'm going to address my question to our new CON (sic/CNO), Admiral Roughead.

In regard to, of course, pursuing this national military strategy and the National Strategy for Maritime Security -- the joint pamphlet between the Navy and Marine Corps and Coast Guard -- a large focus, and I think rightly so, is on securing the United States from direct attack.

And here's a question. What are the major seaborne threats? And what ability do the terrorists have to attack us from the ocean? And I'll address it first to Admiral Roughead.

ADM. ROUGHEAD: Sir, the major seaborne threats, as I see them, would be brought in largely through commercial activities, because we do have the buffers of the oceans, a great benefit that we enjoy. But it's also possible that as we look to the future and the strategy tries to take us out decades, and we have seen proliferation of advanced weapon systems around the world, whether they're submarines or missiles, that in time one could see those types of threats evolving. But in the near term, it really does deal with that which can be brought in through normal means.

And that's why maritime security, Maritime Domain Awareness, and our partnership with the Coast Guard on being able to be aware of that which is moving on and near our coastlines, that which is coming from across the ocean, and then to be able to work in this cooperative way with the Coast Guard, is key to our homeland security and homeland defense.

REP. GINGREY: Well, and Admiral Allen may want to touch on this as well, because I think, obviously, back on the attack on the USS Cole and the fact that so much of our equipment, our maritime equipment, and, of course, our great seamen and Marines on that equipment pull into these ports all around the world in some really tough neighborhoods, and it worries me. So if -- Admiral Allen, if you'll comment on that as well, I'd appreciate it.

ADM. ALLEN: Yes, sir. I think our goal should be to create transparency on what is arguably the (last global common ?). And we have made great strides since the attacks of 9/11 to do that, first of all, for mandatory carriage requirements for transponders for all vessels greater than 300 gross tons that we negotiated at the International Maritime Organization.

And we will be transitioning to long-range tracking. And that will give us a view of what is legitimately operating out there. And while it won't tell you who's got the machine turned off, you can then sort and understand who is legitimate and who may not be.

Beyond that, I think the next challenge we have to deal with is vessels less than 300 gross tons that are not regulated internationally. And these would be vessels capable of carrying a weapon of mass destruction or an IED. I'm talking about down in the range of commercial fishing vessels, recreational boats and work boats. And that's a challenge that we're taking on in the Coast Guard, certainly.

REP. GINGREY: One other quick question before my time expires. And our chairman addressed this, Admiral Roughead, at the outset, his first question in regard to are we strategically getting the manpower, the brain power that we need from the Naval War College. And then I was sitting here thinking, now, do our Marines, General Conway, do they go to the Naval War College, or do they primarily attend the Marine War College? I'm not even sure where that's located, if it's located, so you can educate me on that.

But my point is, is there some jointness in regard to cross-training with our members of the Coast Guard, the Navy and the Marines, in regard to that educational experience?

GEN. CONWAY: The answer is absolutely, sir. All of our war colleges, both at the senior level and at the intermediate level, are purposefully joint because there's some real learning that takes place in the seminars that you cannot have in the larger classrooms.

I would offer to you, sir, that I think it's critically important that there be a good balance there, though, with our young officers. They need to have the operational experiences. They need to understand other cultures. They need to have seen the world a little bit before they move to the academic aspect of things and then continue to increase their knowledge base. Simply to be an analyst without benefit of portfolio, I think, is not the person we're looking for.

REP. GINGREY: Mr. Chairman, thank you. My time has expired. And I'll yield back. And I think we'll probably be going to vote soon.

REP. SKELTON: Let me add this, Doctor. Let me tell you why I'm so proud of the Marine Corps. Back in 1988, when we did our investigation of all the war colleges, the Command General Staff College of the Marine Corps did not get a good grade. That was turned around 180 degrees.

In addition thereto, they established their very own senior war college -- not a large one, but a quality one. And I'm just so proud of the fact that they took professional military education so seriously, and as a result we have class -- you know, you pick the service -- class intermediate and senior war colleges today. But the Marine Corps came a long way. And I really have to give credit to General Al Gray for initiating that.

We do have these votes. We apologize. We'll be back as quickly as possible. Thank you.

(Recess.)

REP. SKELTON: Our hearing will come back to order. Members will be returning from the vote, but we should proceed.

Mr. Larsen.

REP. RICK LARSEN (D-WA): Thank you, Mr. Chairman. I'll just jump in quickly.

Thank you all for coming today and helping us understand the cooperative strategy for 21st century seapower.

The questions are really focused right now for Admiral Allen; if you can talk a little bit about some issues a little closer to home for me, but as they relate to the strategy.

The first thing I want to ask is with regards to the Arctic, how this particular cooperative strategy aligns with the polar policy end capabilities, if you can speak to that generally. And then I want to get into specifics after that.

ADM. ALLEN: Happy to. This year we had the largest amount of receding ice in the Arctic history. The implications for traffic over the top of Russia or potentially through the Northwest Passage raises the specter of the need to have presence up there for any range of missions that any of our services may have to accomplish.

For that reason, we have initiated a requirements development process to take a look at how we would execute our missions that support the strategy, including search-and-rescue operations, environmental response, critical infrastructure protection, and so forth. But I think we really need a reasoned discussion on the requirements and what it means to operate at high latitudes.

There's a work group that established under the National Security Council to look at the current Arctic policy that was issued under presidential directive in 1994. All this is converging. In the meantime, our commander up there is looking at proof of concept for both aviation and surface operations, navigation issues, communications issues and so forth.

REP. LARSEN: Could you talk a little bit about your deepwater acquisition program specifically? I'm on Transportation and Infrastructure Committee. We've had a lot of discussions about it on that committee. But can you talk about how the deepwater acquisition assets would fit into the cooperative strategy as it relates to the Arctic and talk specifically about any specific assets that would be supportive of the strategy?

ADM. ALLEN: Happy to do that; particularly the capabilities of the national security cutter. And we just finished machinery trials last week. We're very pleased with the progress there. That contract is -- all current issues have been resolved. We are commencing construction on number three. We think this thing is being stabilized in the way that the committee was looking for.

Coast Guard cutters, by their nature, have to be interoperable with the Navy, because under statute we could be transferred to the Navy in times of war. But we also do a lot of law enforcement work. We do a lot of work with coalition international partners in search and rescue and oil-spill response. Because of that, we're kind of a linking pin. We can go down to low-tech and no-tech partners.

And as far as executing the strategy, deploying a Coast Guard cutter in concert with Navy assets out there in global fleet station concepts, we become a force multiplier at the lower end in dealing with coalition partners, and it makes a perfect match.

REP. LARSEN: Can you discuss -- can you talk a little bit about the Coast Guard's polar ice-breaking fleet and if it's meeting its current mission performance requirements, and if not, what it will take to meet its performance requirements?

ADM. ALLEN: We currently have three ice-breakers in the U.S. inventory -- the Polar Sea, the Polar Star, which are heavy-duty ice-breakers, and the Healy, which is an ice-strengthened research vessel.

As it stands right now, we need to make some decisions on the long-term future of the Polar Sea and the Polar Star, because they are approaching the end of their service life. That needs to follow a very deliberate requirements development process, which I addressed earlier. But, quite frankly, those ships are going to have to be addressed in the next five to 10 years. One is laid up in commission special status. One is operating right now. But it certainly is something we're going to have to get our arms around in the future.

REP. LARSEN: Need to further explore that. For the three of you, is there a test-case country where you all, the Coast Guard, Marine Corps and the Navy, are working together with that country that we can sort of put our minds around this cooperative strategy? Is there a country right now where the three of you are cooperating in trying to develop an integrated approach with that particular country that you can help us --

ADM. ROUGHHEAD: Well, I think not so much a particular country, Mr. Larsen, but rather the regions where we operate. For example, we have the USS Fort McHenry, one of our amphibious ships, that's operating off the west coast of Africa. And it's a cooperative effort with us, Coast Guard, the other armed services, and the host nations themselves.

And it's this ability to come into an area, do training, work on maritime security schemes and thinking with those countries. So it's more of a regional approach. And we get a lot of benefit from that.

ADM. ALLEN: We have law enforcement attachments and trainers that are deployed on the Fort McHenry. We just finished a deployment with the Navy in the Caribbean with the Comfort, a hospital ship that deployed down there. There were Coast Guard hospital corpsmen on board as well.

REP. LARSEN: General Conway?

GEN. CONWAY: I can only think of one instance, and it's probably off the Philippines, working with the Philippines Special Operations forces, where we're embarked aboard Navy ships and putting forces ashore on a frequent basis.

REP. LARSEN: Okay, thank you.

I may have a follow-up later, Mr. Chairman. Thank you.

REP. SKELTON: I thank the gentleman.

Mr. LoBiondo.

REP. FRANK LOBIONDO (R-NJ): Thank you very much, Mr. Chairman.

I thank our panel for being here today and for the fine work they do.

Admiral Allen, we've been hearing some rumors that there might be a proposal to transfer the Coast Guard's safety authorities and capabilities to some new entity or a different federal agency. Have you given it any thought, or can you comment on how you think that would impact your ability to execute the cooperative strategy?

ADM. ALLEN: Yes, sir. There has been some discussion about whether or not the Marine safety mission might be located someplace else. It is our position that belongs inside the Coast Guard and that safety and security are intimately intertwined.

A good example: The most robust international engagement that the Coast Guard can do on behalf of the strategy is our engagement in the International Maritime Organization, which is the international maritime safety regulatory body. And, in fact, two weeks ago I led the U.S. mission to the 25th assembly there.

This is where we negotiated the agreements on long-range tracking and things that give better transparency to the global commons. In my view, it's impossible to separate safety and security within the Coast Guard's mission set and should be retained there.

REP. LOBIONDO: So that would, in your view, definitely impact your ability in the cooperative strategy.

ADM. ALLEN: It would, sir. Yes, sir.

REP. LOBIONDO: And also, Admiral Allen, how do the Coast Guard's specific capabilities complement the cooperative strategy? It's a broad term and it's a big concept, but I'm trying to connect the dots on some basic specifics.

ADM. ALLEN: Yes, sir. I noted in my opening statement, when we go into a country on a visit, we deal with a lot of other ministries than the ministry of defense by virtue of the portfolio of the missions we have. It could be an interior ministry, public safety, or, in the case of China, the communications ministry. This allows us a broader reach in doing shaping and international engagement that could preclude conflicts in the future.

Right now we have three advisors deployed to South Korea to assist in their oil spill response, and that would be a good example.

REP. LOBIONDO: Thank you, Mr. Chairman.

REP. SKELTON: The gentlelady from California, Ms. Davis.

REP. SUSAN DAVIS (D-CA): Thank you, Mr. Chairman.

And thank you to all of you for being here. Thank you so much for your service.

I was going to follow up, actually, General Conway, with the chairman's question, because I wanted to have you have a chance to express your concern also about the educational opportunities that our mid-level service members are having.

And one thing just to throw out there, and perhaps you can follow up, I'm just wondering to what extent we're really tracking to see whether we have an increasing number of service members taking advantage of classes, whether they're getting the time on ship or dwell time to enable them to take advantage of those classes.

Is there any way of really seeing whether there's been a drop, when there's an increase, how we determine that, and how we are able to affect that and to make sure that our young people are really getting the kind of educational opportunities that they need when they're serving, you know, on ship or in country.

GEN. CONWAY: Ma'am, I would talk, first of all, to the professional education aspect of this and say that although with our up-tempo, there's been pressures to offset the requirement for promotion and selection to command and those types of things. We have not done so.

We have tried to make it easier for our Marines -- both officer and enlisted -- with online courses, seminar courses and that manner of thing, but before every promotion board or every selection board, there is the requirement that that Marine be, quote, "PME complete" before he or she receives serious consideration.

So we considered it c-court. We consider it the strategic thinking we're going to have to have, the strong operational thinking we're going to have to have on down range. And it's just not one of those standards that we're willing to forgo, in spite of, again, the very significant (purse ?) tempo that we're experience right now.

ADM. ROUGHHEAD: If I could add to that, ma'am.

Our process is very similar. The path to promotion is through professional education -- professional military education. We have, in our major fleet concentration areas, opportunities for our officers to take advantage of that. Although I would say that while that's very important and it allows us to increase the numbers that are in that program, there is much to be said for going to the institution itself -- to the war college -- because it's when you immerse in that environment, when you're there and in seminars and your total focus is on joint military education, professional military education, and you don't have the daily churn and demands of your job, it's a much richer experience. You get better cross-pollination and therefore, we can't take our eye off that either.

REP. S. DAVIS: I agree. I think it's critically important and my concern would be whether we're seeing some diminution of that -- partly because we have so many people that are deployed for longer periods of time. And I would just hope that we would be watching that and seeing whether there's a point at which we need to be concerned about it.

The other issue -- and I think it's been mentioned -- in terms of language and to be able to track and see, you know, again, the extent to which regional expertise and language expertise is being developed and that people are taking advantage of that -- that we're not -- we should be really having a surge of that kind of interest, I think, and applicability. And I would think during this time, perhaps that's not the case.

ADM. ROUGHHEAD: Well, our policy -- particularly for our officer accession programs -- are that they must take some regional courses or language courses. That has been worked into our institutions. For our enlisted force, we -- as our groups deploy -- provide regional expertise information to them. And in the last few years, the step up in our attention on that has been significant.

REP. S. DAVIS: If I could turn for a moment just to the humanitarian assistance, because that's obviously been a very important part of the work that you all do -- and over which you have, I think, a great deal to offer. Are we ensuring that we have the right mix of personnel to conduct these operations in the future, while supporting our other core capabilities? How are we doing that in terms of our health care needs and whether or not, in fact, we are training the physicians that are going to be available for those kinds of missions in the future? Is that a concern?

ADM. ROUGHHEAD: The way that we have done the humanitarian missions -- and my experience has been I was intimately involved in the tsunami relief, and then the deployment of our hospital ships in the proactive way that our strategy calls for -- we go through a vetting process as we put the teams together. One, what are the types of skills that we think we'll need in that particular area? And then we go through a very formal vetting to make sure that we are not depleting those skills in our medical treatment facilities that are important to our sailors and to our families. And then, of course, we reach out to other services, to the host nation and to nongovernmental organizations, which minimizes the demand that is placed on us.

GEN. CONWAY: Ma'am, I do have a mild concern. And that is, just with the number Marine expeditionary units -- or now the expeditionary support groups -- that we're able to put out at any

one time. We have what we call a 1-0 presence. There's one at all times in the central command region, but we're not covering Europe like we used to. We're not covering the Pacific completely.

We've had some very good fortune with ships and people being in the right place with some of the catastrophes that we have had, but we can only hope that we continue to be lucky, because we're not covering the planet like we used to.

REP. S. DAVIS: Thank you.

Thanks, Mr. Chairman.

REP. SKELTON: I thank the gentlelady.

Mr. Bartlett.

REP. ROSCOE BARTLETT (R-MD): Thank you.

Admiral Roughead, at a Sea Power Subcommittee hearing in October, our subcommittee raised several questions relative to the adequacy of the 60 Sierra to perform adequately a number of missions. I would like, with your permission, to submit some questions for the record relative to these helicopters and your future planning.

In your maritime strategy, you mentioned climate change as a factor in changing the global security environment. There's another factor, which if the environmental changes loom large, these changes will be huge. And that is the changes that will occur because of an increasing scarcity of the amount of oil that the world would like to use.

We have had four government studies -- two of them in '05, two of them in just this year -- paid for by your government, ignored by your government -- all saying essentially the same thing: that the peaking of oil, that is the world's ability to produce oil -- maximizing out -- the peaking of oil is either present or imminent with potentially devastating consequences.

There are two major entities which track oil around the world and do prognostications. I would pay little attention to their prognostications, but they do a very good job of documenting what has happened. This is the International Energy Administration and the Energy Information Agency in our country. Both of them have been tracking the production of crude oil around the world, and if you look at their graphs, both of them show that the world has reached a maximum and is now down a bit from that maximum that it reached in the production of crude oil.

The reality, of course, is reflected in the fact that crude oil is now more than \$90 a barrel. China, as you know, is going around the world buying up all the oil that it can at the same time that it is aggressively building a blue water Navy. With 1,300,000,000 people, the time may come when China may not be able to share the oil which it owns with the rest of the world -- that will produce some enormous challenges and dislocations in the world. And I wonder why this very real potential for future challenge was not included in your maritime strategy?

ADM. ROUGHEAD: I would say, Mr. Bartlett, that the strategy calls out for where we must be, the types of capabilities that we must have. As we translate those requirements into what we buy, I believe that's where we look at what is the proper source of propulsion, the proper source of power - - or appropriate source of power generation. And it is in that process that we then take a look at, given the future that we see, what are the decisions that we must make to have the robust and capable fleet -- and fleet in numbers -- for the future.

REP. BARTLETT: Of all the institutions in our country, our military is more effectively addressing the energy challenge than any other. I appreciate that. As a whole, of course, our country is doing a tiny fraction of what it needs to be doing in this area.

But you mentioned climate change, you know, melting of the polar ice so that we now have access to resources there and maybe sea routes through there. The flooding of low-lying areas, which require the need for more humanitarian aid. And so you were looking to the future and how you would structure our maritime forces to meet these challenges. Don't you think that the increasing scarcity of crude oil in the world will potentially create even bigger challenges and a bigger need to look at our strategy for the future than global warming?

Global warming is probably not going to produce any big effects for maybe half a century.

I will tell you, sir, I do not think we will make it through a decade without some major international dislocations as a result of competition for energy. And I'm not sure how this would impact what your planning for the future is, but I think certainly it needs to be a factor in that planning.

ADM. ROUGHEAD: Yes, sir, and I believe that in our strategy we clearly call out for the effects of the competition for resources, and that played no small part in where we have focused on our attention, and call for focused attention, which is in the Arabian Gulf, Indian Ocean region, and in the western Pacific, where energy will become a driver of what takes place.

REP. BARTLETT: Thank you. Thank you, Mr. Chairman.

REP. SKELTON: Mr. Taylor, please.

REP. GENE TAYLOR (D-MS): Thank you, Mr. Chairman. And I want to thank our very, very distinguished guests for being with us and for serving the nation.

Commandant, I'm -- Commandant Allen, I'm sorry, I'm going to start with you. I want to first thank you for letting me visit the Baltimore shipyard last weekend. It gave me a much better appreciation for the challenges of the 110/123s. It also quite frankly left me more angry than when I went there that eight very capable vessels were turned over to the yard that built them to modify them. That yard was given a performance spec, and I'm told by the very capable Coast Guard captain who walked us through the yard that almost immediately after those boats were delivered, that even before they saw any sort of a sea state, that the engine started being out of alignment because the hulls started deflecting almost as soon as they engaged the clutches on the engines.

I would remind the commandant that other government agencies, and as you know, we've been through Hurricane Katrina, 7th Corps of Engineers, have the right to tell contractors who are not living up to their expectations on one contract that we're not even going to consider you for the next until you fix the first one. And the Corps I know did that with a number of debris haulers.

I'd like to know if you have the legal authority to do that under present law. And I'd also like to put you and the contractor in question on notice that on the next Coast Guard authorization bill, that if this is not resolved to your satisfaction, and to the taxpayers' satisfaction above all, it is my intention to have those eight vessels, heretofore known as the Bollinger class. I think our contractors deserve a big pat on the back when they give us a good vessel. But when they design something, and they build it, and they modify it, and they screw it up, and they don't assume responsibility for that, then they ought to -- again, we're going to help them to assume responsibility for that.

So I hope this message is delivered to your contracting folks. But I'm curious on the contracting, do you have the authority right now to say, look, until you straighten this out you're never getting another contract?

ADM. ALLEN: Yes, sir, under our contract or procedures we are able to improve past performance, and we do. And that does bear on the decision making process moving forward.

And we appreciate your continued support, and this is a difficult situation. Just to advise you on where we're at, we have revoked acceptance of those boats. We have made that notification to the contractor. They have provided us information back in rebuttal. We are getting very close to where we would call a contracting officer's determination on our final position on it, and then that will take us to our next step, whether it's in the courts or whatever. And we will keep you advised, sir, and we thank you for your interest.

REP. TAYLOR: Well, again, it's -- these are assets of the people of the United States of America. And if someone, again -- he built it, he modified it, it was a performance spec and it didn't work. As far as I'm concerned Bollinger Shipyards is responsible. They need to fix it or -- either that, or give the money back to the nation.

Admiral Roughead, I hope you are aware that this year's defense authorization bill calls for the next generation of nuclear cruiser -- the next generation of cruisers to be nuclear powered.

You got me -- you were kind enough to give me a book on Admiral Nimitz when I visited you in Hawaii. It led to a series of events leading to other books about the war in the Pacific, most recent about Halsey's typhoon.

Do you know what initiated the series of events that caused Admiral Halsey's fleet to sail into that typhoon? The series of historical events that led to the sinking of the three destroyers and the loss of 900 sailors --

ADM. ROUGHEAD: It was the need to fuel those ships, and decisions that were made to ballast or not ballast. And I believe that's what you're getting at, Mr. Taylor.

REP. TAYLOR: Yes, that's exactly what I'm getting at, Admiral. And again, I -- you know, for all the reasons we outlined earlier in the year, as far as I'm concerned, that was the icing on the cake. Any potential peer or foe is going to recognize our nation's -- as the great congressman from Maryland pointed out -- our vulnerability to having our fuel supplies cut off.

And for that reason -- and remember they had to get far enough away from the Philippines where they could not be attacked by land-based aircraft while they were refueling. If another scenario like that in the Pacific were to take place, I know that you don't want to see our carriers vulnerable while the ships that are protecting the carriers are refueling.

And so I would encourage you -- the Senate has passed this, the House has passed this, fully anticipate the president to sign it. We've got about seven years to put the plans together for these vessels. And quite frankly it's going to be the one part of the ship that we have a pretty good idea how much it's going to cost. Everything else is up in the air. So let's go ahead and let's get -- let's get this going, and let's get those ships in the fleet.

General Conway, again, thank you for your -- for working with us on the expeditionary fighting vehicle. I do appreciate the Marine Corps' willingness to look at options to make the vehicle more mine resistant. I think it's fair to say that the ranking member and I are not yet sold on your solu-

tion, but we do want to continue to work with you, and we do appreciate you looking at other options to make it more mine resistant.

I appreciate all three of your service to our nation.

REP. SKELTON: Mr. Taylor triggered my thought, Admiral Roughead, which I will subject you to again; that we in Congress do our homework, and sometimes we are able to look at problems you have that extend beyond today or tomorrow, vis-a-vis the work that we did over four years which, as you full well know, we now call Goldwater- Nichols.

And when Mr. Taylor makes reference to fuel problems, oil refueling problems, we take those very seriously. And it's our baby, because we are the ones that are constitutionally charged with raising and maintaining the military. And we intend to work with you, and hope that you will understand the depth with which we pass the measure regarding our future cruisers.

And I know I speak for Mr. Taylor and Mr. Bartlett and maybe we'll work very, very closely with you on this.

But I use as an example Goldwater-Nichols, which is now part of your culture, which as I told you recently, every member of the Joint Chiefs of Staff was adamant against. But at the end of the day, to you all's credit, you made it work. And it's done a good thing for our nation. And hopefully other work that we do, including the issue of which Mr. Taylor spoke, would fall in that category.

Do you have a comment on this?

ADM. ROUGHEAD: I do, Mr. Chairman. I'm a great proponent of the work that you did, and how it has transformed our military. We talk about things that are transformational; it's not always equipment.

And I think that that is a case in point. But I have spoken with Mr. Taylor about this. And we know that as we go through our analysis on our designs and force structure, that the cost of building a nuclear cruiser is going to be significantly higher than it would not be as far as acquisition costs.

The concern I have is that -- how will we then resource the rest of the ship-building program that we need, when we have a significant cost up-front -- perhaps to be regained as we go through the lifecycle of the ship, but I am concerned about what the initial ship costs will be and what that will do to fleet size because of rate of procurement that we can have.

REP. SKELTON: Admiral, you're looking at the people that are going to solve that for you.

ADM. ROUGHEAD: All right, sir. Thank you very much.

REP. SKELTON: Thank you.

Mr. Jones, please.

REP. WALTER JONES (R-N.C.): Mr. Chairman, thank you.

And General Conway, this is a personal issue that I want to publicly thank you and General Regner (sp), on behalf of Congressman Gene Taylor and myself, for what you did to help the Jerome Lee family in Mississippi. I think that the services -- the Marine Corps, the Navy, the Coast Guard, the Army, the Air Force, are special, and too many times we forget that our fighting men and women have a big heart. So I just want to say thank you, sir.

General, I do have a question regarding the 33 amphibious ships that you have been ordered to satisfy the issue addressed in the Maritime strategic document. I ask this question because having you and General (sic) Roughead here, how is this program going? Is it working together well to fulfill these requirements of these 33 amphibious ships?

GEN. CONWAY: Sir, I'll take the first part of it, and say that I am very comfortable that the Navy and the Marine Corps have worked together closely to identify what the requirement is to put two brigades in assault across another enemy shore -- the forceable entry capability that we must have as a nation.

We have gone to Quantico, worked together on a computer load-out, which is what we would use to put those two brigades aboard ship. The number actually comes to 34 ships, in total requirement -- 17 ships for each brigade. But in deference to the CNO shipbuilding plan, my predecessor said we can live with 30. We can do some things on black-bottoms that will augment.

And so I've -- I've maintained that line of reasoning and said if the requirement is 30 ships, if you apply 85 percent of availability against that, then we need probably 33 ships in order to have that capacity ready on short notice. And had those conversations with the previous CNO, Admiral Roughead and I have had those conversations, and I think we're in general agreement on the requirement. At this point, I think the determination is, do we extend old ships for a longer lifecycle, or do we build new ships to get to that number? But we're confident that the CNO understands, and the Navy understands the requirement.

ADM. ROUGHEAD: And if I could, Mr. Jones, the way that I look at things -- and I do not believe that there's a lot of daylight between General Conway and myself -- that there are requirements, and then there is what we can afford. And while I agree on the requirement, I also have the obligation to you to be able to produce a shipbuilding plan that's fiscally possible.

And so, as we go through our process in the coming years, the requirement is there, and we will work very closely together to realize the capability -- for our country and for our Navy and Marine Corps, that gives us the capability that is important and is called out for in the maritime strategy.

REP. JONES: Admiral, I appreciate it. And that's why I'm pleased that the chairman is Gene Taylor and the ranking member is Roscoe Bartlett, because I know that these two men will do what is necessary to make sure that our Marine Corps and our Navy has exactly what they need to defend this country, and the interests of this country.

One last question -- I think I've got a little bit of time. General Conway, considering the Marine Corps's end strength will increase by 9,000, what is the state of the Marine Corps? You might have had this question earlier -- I was at Walter Reed visiting the troops and I missed votes, and I missed being here, but if you had that question, I apologize, but if you didn't, knowing that Camp Lejeune is in my district -- and it is a growing base, and we are happy about that -- but can you speak to the question I asked?

GEN. CONWAY: First of all, sir, I would say we're going to grow by a total of 27,000 over the next five years. And if you look at those metrics that help our leadership to define the health of the Corps, they're all pretty good. I mean, we're -- we're working hard, and the first tempo for operational forces is seven months deployed, and seven months home. We consider our families to be the most brittle part of that whole equation because Marines are essentially doing what Marines joined our Corps to do.

But reenlistment rates are increasing, really, every year, compared to what they were the year before. We recruited, not 5,000 this first year, which was our goal, but actually 7,000 young Americans to be Marines, without reducing our standards in the slightest. Our equipment is getting worn out, admittedly, but that said, this committee and others have helped us with reset costs, and we have the expectation that will continue to be the case as we posture for the long war and for whatever might follow in years to come. So all in all, I feel pretty good about where we are right now, sir, to be honest with you.

REP. JONES: Thank you, General.

I yield back, Mr. Chairman.

REP. SKELTON: Thank the gentleman from North Carolina.

Mr. Courtney.

REP. JOE COURTNEY (D-CT): Thank you, Mr. Chairman.

I want to thank the panel for being with us here today.

Admiral Roughead, I wanted to just follow up on your comments about the fiscal challenge that you face. Looking at your testimony, it stated that the 313-ship force represents the maximum acceptable risk in meeting the security demands of the 21st Century. Given the fact that today we're at 280, I mean, it sort of begs the question about whether or not we're at a point of unacceptable risk. And I just wonder if you could maybe fill in that blank?

ADM. ROUGHEAD: I would not call it unacceptable risk, but I do believe that we have moderate risk in our ability to conduct the range of missions that we have around the world. And as I found out first-hand when I was in the Pacific, that I could have used -- with more ships of differing types, to be able to conduct operations that span the spectrum, that our Navy is expected to perform.

Getting to 313 ships is a priority. I believe that is what we need as a Navy, as a minimum, and in my four years that I have ahead of me, I'm going to be working to achieve that objective.

REP. COURTNEY: And, again, you've got a lot of friends in this room. But having just sort of gone through this process, as a new member just this year -- and, again, Mr. Taylor and Mr. Bartlett, Mr. Skelton and Mr. Hunter, I mean, obviously moved heaven and earth to try and get the -- both the Defense bill out of this committee and the budget bill, to get to a higher level -- I just, it seems to me that what's projected in terms of the \$14 billion a year over the next few years, I mean, it almost has to work perfectly to get to that number because there just can't be any cost overruns, given the strains that that's under. I just --

ADM. ROUGHEAD: Well, I believe there are many things that have to come into play: Making sure that -- particularly in my area of responsibility, that we accurately define the requirements; that those requirements are what we need, not just want; that we then have in place some accurate costing processes to determine what the cost is; and then the oversight on the programs, as we build those programs, to ensure that we're staying within those cost controls; and also an ongoing process to ensure that as classes are being built, that we don't see what I call "requirements creep," which is often the case. I've seen it time and time again. And we have to have the discipline to say, no, we're not going there because it will cost us out of business.

REP. COURTNEY: The -- okay, you know, again, it just -- it just seems that the trajectory of what you've got to reach, or what you're shooting to reach -- and what that budget that's being projected, is a pretty big challenge for you. And hopefully, you know, as you go through that, that's something that you'll be -- and I don't mean this in a negative way, I mean, hopefully we're going to get a straight picture, you know, from the Pentagon about where -- whether these pieces are really falling into place with the numbers that are being projected.

ADM. ROUGHHEAD: You will from me, sir.

REP. COURTNEY: Thank you.

I have no further questions, Mr. Chairman.

REP. SKELTON: The gentleman from Pennsylvania, Mr. Sestak, please.

REP. JOE SESTAK (D-PA): Thank for your time.

Admiral, you had mentioned -- I guess Mr. Hunter had asked the question, I think and I've come in and gone -- I may have missed it -- on the LCS. You -- and you've just mentioned a lot of the Pacific. If you had a say in what the major concern -- areas of focus you might do on regarding China -- and I don't mean that as an adversary, but Taiwan is like a dog with two tails, us and China. And if Taiwan shakes, we just have an honor -- honest broker role to play. What is your number one or number two areas of concern regarding the maritime capability we want to bring forward -- or not -- concern that would probably be your priority out there.

ADM. ROUGHHEAD: Yeah.

I would say that for me, I lump into the context of "What will it take to keep the sea lanes open?" I have for a long time been someone who has focused on anti-submarine warfare because of the ability of just one submarine to cause enough uncertainty and confusion that could shut down the flow of commerce, which would be absolutely critical or the flow of our supplies should we be in conflict. So anti-submarine warfare is a very high priority for me.

REP. SESTAK: I'm sorry. I didn't mean to interrupt.

Was there one more -- that's your number one.

ADM. ROUGHHEAD: That is where my number one focus has been.

REP. SESTAK: Well, it could be if we go on to your next.

Your answer to Mr. Hunter mentioned the capabilities of ASW for the LCS and ASUW. But this year we canceled -- or the Navy canceled the Advanced Deployable System, the major ASW capability that we're supposed to have on the AC -- LCS.

ADM. ROUGHHEAD: Mm-hmm.

REP. SESTAK: And the modeling that's been attendant to how good the LCS would be in ASW in a scenario in the Western Pacific has relied almost exclusively -- not totally, it has the ROMEO. But the ROMEO has to stay close on ADS. So did we make the right decision to cancel ADS if that's your number one priority out there and number two, if the LCS is to be a player in that scenario -- in ASW?

ADM. ROUGHHEAD: I --

REP. SESTAK: I -- focus -- okay, I'll follow up. I'm sorry for this time.

I apologize -- no, go ahead.

ADM. ROUGHEAD: No, I would say that as I come into my job and as we look to the '09 budget -- '10 budget -- clearly looking at our capabilities across a broad spectrum -- ASW for one, air defense for another, ballistic missile defense -- we really have to get away from looking at just the platforms and look at the systems --

(Cross talk.)

REP. SESTAK: But if I could, Admiral, AS -- that is not a platform. ADS was meant to be off --

ADM. ROUGHEAD: Right.

REP. SESTAK: -- ship, which seems to me was where the Navy was headed for a while, as it's not platform on platform. If the Chinese have more submarines than we do today, we just can't build enough submarines to go one on one. So the concept, my understanding was, get these off-board ASW capability thought out there and we'll kind of track them.

ADM. ROUGHEAD: Right.

REP. SESTAK: So why did we cancel ADS if this is the priority -- the LCS -- (off mike.)

ADM. ROUGHEAD: Well, as you know, there -- as we go through out budget process, there priorities that drive cancellations or additions or sustainment --

REP. SESTAK: I guess --

ADM. ROUGHEAD: -- and my view is that as we go into our POM-10 process, we have to look at what capabilities we are going to buy. And I fully recognized it is not a platform, but our -- what we have to do is look at it holistically and see where we get the most bang for the buck. And ASW is an area that I'm going to be paying particular attention to.

REP. SESTAK: Admiral, in your -- General, in your testimony, you've mentioned sea basing. But I didn't notice you basing yours, sir, or even -- or in this. Has the Navy walked away from the concept of joint sea basing or is it just -- and I may have missed it -- but that seemed to be for a number of years where naval service was going conceptually.

GEN. CONWAY: I have not walked away from sea basing and in fact, the discussion --

REP. SESTAK: I know the general hasn't. But I mean, should it have been in here if it is still part of the ethos of the Navy?

GEN. CONWAY: Right. What we did as we were developing that strategy -- we talked more about the capabilities that we wanted and that we believe are relevant to the future. And then as we go into our operating concepts and then our strategic plan, that is where, I believe, we put the fine definition on the sea base and the types of things that we have to acquire to be part of that sea base.

REP. SESTAK: Out of time.

Thanks.

REP. SKELTON: Before I ask Mr. Cummings, let me interject. There's a certain class of Coast Guard cutters -- I think they were called the 110s -- that you tried to extend by 13 feet. It didn't work. Am I correct?

ADM. ALLEN: It's correct, sir.

REP. SKELTON: I don't think the Navy has ever had similar problems. And from this country boy who's only experience with a body of water is called the Missouri River, I'm having a little difficult time as to why we did not have the expertise to say, "Hey, these things are going to buckle. Something bad's going to happen." But no one did, which raised the thought with this Missouri River-bound country boy as to why we don't have in some instances common hulls with the United States' Navy. Is there some problem with it -- do you all speak about these things and say, "Hey, let's try this together?"

Do you ever do that, Admiral?

ADM. ALLEN: Yes, sir. In fact, those conversations got started a year and a half ago when I became commandant with then-CNO Admiral Mullen. In fact, Admiral Roughead and I were scheduled to meet after the first of the year in an ongoing series of warfighter talks and the topic for that meeting is a side-by-side comparison of LCS and the National Security Cutter -- not just hull forms, but systems and subsystems -- the deck gun, the radar and so forth. And as I had told Admiral Mullen before I became the chairman, I think you're going to see us up here more often together answering these types of questions because they are the right questions to be asked, sir.

I would tell you this just in general and I'll throw it to Admiral Roughead. The employment and the concept of operations for the LCS and the NSC are different, and that does drive some of the hull considerations. LCS is looking for speed. They operate with oilers. We look for high endurance, ability to loiter, we operate independently and that does take two different places on the hull design. But it's a perfectly legitimate question to ask. We need to be talking about it. We need to provide you answers based on our conversation, sir.

REP. SKELTON: Well, the --

ADM. ROUGHEAD: And just to follow up --

REP. SKELTON: Actually, gentlemen, it sounds like a major step in the right direction. Admiral.

ADM. ROUGHEAD: No. The -- clearly in the environment we are in, the need to be more cooperative -- collaborative on systems and even ship types is something that we have to continue to assess. That's the path that we are on. But as Admiral Allen pointed out, sometimes our mission requirements are different and then that in turn drives the ship design. But wherever we can reach commonality, that's where we're going to go.

REP. SKELTON: Well, that's great. I know you will keep the Subcommittee on Seapower fully advised on that --

ADM. ROUGHEAD: Yes, sir.

REP. SKELTON: -- at the beginning of the year.

Thank -- Mr. Cummings.

REP. ELIJAH CUMMINGS (D-MD): Thank you very much, me. Chairman.

I -- I want to also thank you, Mr. Chairman, for raising the issue that you just raised. As chairman of the Subcommittee on the Coast Guard under the Transportation Committee, I can tell you

that Congressman Taylor also sits on that subcommittee and we have urged the commandant of the Coast Guard to work closely with the Navy. We just think that it's a good combination and it makes a lot of sense, as the chairman was just saying.

Let me just address just a few questions to you, Admiral Allen. Does the Coast Guard's involvement in this strategy mean that any of the Coast Guard's missions will change in any significant way and will your relationship with the Navy change? Or is the strategy more an articulation of the kinds of relationships and joint activities you already undertake with the Navy?

ADM. ALLEN: Sir, you summarized that absolutely correctly: What we're actually doing is institutionalizing and codifying relationships that have been built over two centuries, quite frankly:

Even though we are building new classes of ships, the old ships are still operating and deploying: For instance, we had a medium- endurance cutter deployed to the Gulf of Guinea this last year: We're actually bringing this into a governance and an integrated synchronization structure that will actually allow us to be more effective with the resources we have, sir.

REP. CUMMINGS: As you know, of course, the subcommittee on the Coast Guard is very concerned about the need to ensure that the Coast Guard adequately balances its traditional missions -- particularly marine safety -- with its significant new homeland security missions and, what the missions is undertaking in support of the Navy and of our U.S. operations around the world:

While that will be required in the full range of missions and vision in the new cooperative agreement, the Coast Guard has to also work to fine tune this balance: How will the service's participation in this new strategy affect the service's ability to carry out its traditional missions, such as ensuring the effective regulation of commercial maritime industry?

ADM. ALLEN: Yes, sir: It's a great question.

In fact, it allows us an opportunity to integrate at a higher level both in safety and security, in furthering the needs of the nation and our services: Specifically, I think the greatest synergy that we bring to the strategy is our involvement with IMO, which is the international safety regulatory body: And the fact that the Coast Guard leads the mission to the general assembly is a way that we can deal with it: And to give you a good example: We dealt with both a Marine safety and a security issue at the last general assembly: One was a resolution on how to move forward with coastal states that are involved with piracy issues, mainly Somalia: And the other issue we dealt with was ballast water management and the issue of invasive species: I don't think you're going to find an ability to bring those types of things together in an international forum to promote the aims of a strategy, which is to shape and make sure that we can avert wars in the future by working internationally, sir.

REP. CUMMINGS: One of the things I failed to say, Mr. Chairman, also is that one of the proudest moments for the Coast Guard was during Hurricane Katrina when they saved over 30,000 people, 20 of which -- 20,000 of which would have perished if it were not for the Coast Guard: And I think that so often goes unnoted.

Going back to the strategy documents -- document, it says, quote, "to successfully impellent this strategy, the sea services must collectively expand core capabilities of U.S. sea power to achieve a blend of peacetime engagement and major combat operation and capabilities." There are core capabilities specifically with the Coast Guard -- within the Coast Guard that need to be expanded as part of the effort to ensure the effective implementation of the maritime strategy, particu-

larly given that the Coast Guard has significant responsibilities for ensuring the maritime security of the United States, but it is obviously much, much smaller than any DOD services.

ADM. ALLEN: Yes, sir.

We are required by Title 14, chapter II to be interoperable with the Navy should the president elect to transfer us to the Navy in times of major war: And the last time that occurred was in World War II when that did, indeed, happen. That drives the need for all of our core capabilities to, at some level, be interoperable with the Navy should that happen. And that also drives the discussion we just had earlier about, if you look at the NCS and the LCS -- even if the whole forms are different -- they have to be interoperable: We train to the same standards: We go through the same shakedown and refresher training that the Navy does and that's how we accomplish the ability to integrate: So as we grow core capabilities, there is no distinction or conflict between our core mission set and what we need to operate with the Navy, because it's legally mandated anyway, sir.

REP. CUMMINGS: Thank you.

With that, I yield back.

REP. SKELTON: Duncan Hunter has questions again.

Mr. Hunter.

REP. HUNTER: Thank you, Mr. Chairman.

Admiral Roughead, as the chief of Naval Operations, I'm sure that you know some of these facts: In terms of commercial shipbuilding, China is turning out 5,000 commercial ships a year versus 300 by the United States: They're turning out three submarines a year versus one by the United States: And under girding that production is a production of 480 million tons of steel versus 99 million tons for the United States -- a five-to-one advantage: All that is giving them the industrial base that could allow the Chinese naval capability to outstrip the United States if they turn that commercial shipbuilding capability into warship building capability.

Now, I've looked at your plan for construction and I see no adjustments in the American plan for construction that reflects this change and this emergence of Communist China's naval power as a major security concern for the U.S: And in my estimation, there's something else you should be doing: We are sending China \$200 billion a year more than they're sending us: They are utilizing American trade dollars to arm -- clearly -- and they are complementing the homemade or country-made naval construction with acquisition from places like Russia where they're purchasing the Sovremenny Class missile destroyers: You're aware of that? I think you should be weighing in with the administration with respect to their trade policy, because that high cash flow that's going to China from American consumers each year -- pursuant to these unfair trade policies -- is being translated into military power.

So my first question is: Have you engaged with the administration on the need to adjust our maritime construction strategy? And secondly, have you engaged with the administration on the need to stop China's cheating on trade and this massive trade imbalance, which is being translated into security problems for your sailors and Marines?

ADM. ROUGHEAD: Well, Mr. Hunter, as you know, our engagement on our shipbuilding policy is through the administration and the programs we put forth: But I have not engaged on trade policy with the administration.

REP. HUNTER: Well, that's a very small answer to a much bigger question: With respect to the increased production, in terms of them outstripping us by three-to-one on submarine production, and your own figures show that they are going to eclipse us in submarine numbers in 2011 -- maybe little earlier, maybe a little later, depending on which analysis you go with: Clearly, that should be a concern to you.

ADM. ROUGHEAD: Well, it is.

REP. HUNTER: Clearly, this massive commercial shipbuilding capability should be a concern to you.

ADM. ROUGHEAD: I've had the opportunity to visit their yards that have built commercial and military ships and they are state-of-the-art: They are very competitive on the world market and there is no question that their shipbuilding capability is increasing rapidly. And I believe that not in the distant future it will likely surpass Korea as the prominent shipbuilder in the world today.

REP. HUNTER: Does that give you any concern?

ADM. ROUGHEAD: As someone who is involved in the maritime interests of this country, the fact that our shipbuilding capacity and industry is not as competitive as other builders around the world is cause for concern.

REP. HUNTER: Okay.

Thank you, Mr. Chairman.

REP. SKELTON: Admiral Roughead, did we ever receive any official explanation from China, to your knowledge, as to why they refused the harboring of the Kitty Hawk and the two minesweepers? The two minesweepers, as I understand it, were in weather distress: Did we ever receive any official explanation for that?

ADM. ROUGHEAD: With respect to the information that I have received, it is categorized as a misunderstanding and we have moved forward and have moved beyond that and are continuing to work with the Chinese government to continue the program of ship visitations that we've had.

REP. SKELTON: Okay: That was, frankly, of great surprise to me because of the cordiality and openness that our delegation received in China in just this last August: I was very surprised.

ADM. ROUGHEAD: The interest that I have in the military-to-military relationship is to get to the heart of exactly what you're talking about, Mr. Chairman -- to be able to better understand their process, their decision-making process, to better gauge the intent and where they plan on going with their navy and how they intend to employ that navy. And I believe that through the military-to-military interaction that we have, we can gain insight into the intent of the PLA navy and the PRC.

REP. SKELTON: You may recall -- Admiral Ferguson is with us -- you may recall that we had an excellent briefing from their navy as well as a visit aboard one of their ships. And I thought they were very, very open to our delegation at the time.

Mr. Taylor has additional questions. Mr. Taylor?

REP. TAYLOR: Thank you, Mr. Chairman.

And again, I wanted each of you to know how much I respect you, how grateful I am for your service to our nation, and I'm grateful that you're here today.

It's a nice, pretty, slick brochure. At the end of the day, it really didn't do much for our country. A couple of things I wish I had heard in this brochure, and it starts first with the Navy and the Marine Corps. In my time in Congress, I have seen a tendency by the Navy to give second-class treatment to Marine Corps requests. That starts with the big-deck amphibs. It's like, "Well, the Marines will get that on their own. We won't make it a priority in our request."

And Admiral, I know you're new on the job. I know the commandant is new on the job. I know this commandant is fairly new on the job. I would really hope that, in addition to slick brochures, that in the future we see the Navy giving a higher preference to amphibs.

I was deeply disappointed that the second amphib, that this committee put into the bill, that the House appropriators funded, did not get similar treatment from the Senate. And, quite frankly, I think if the Navy had weighed in and said, "Yeah, we need it; the fleet's at an all-time low post-World War I. It's in the budget, and doggone it, we hope you guys will keep it in there."

The second thing that I'd ask of you -- and again, both of you all are fairly new in this job, but I would hope that between the commandant of the Coast Guard and the CNO, that you will set the standard for, in the future, greater use of common hulls.

Each of you come to me individually and say, "We're not buying enough to get any sort of economy of scale. That's why they're so doggone expensive. That's why we need so much more money." But I've never, in 18 years, seen the Coast Guard and the Navy really sit down and say, "What hulls can we use?"

Historically the Coast Guard has used a heck of a lot of Navy surplus hulls. They worked very well. The ship that saved the air crew in the movie "The Perfect Storm," which is a true story, was a Navy hull that had been given to the Coast Guard that the Coast Guard used for a good 40 years after World War II, did a great job. So it can be done. And I would hope that you two set the precedent for, in the future, greater use of common hulls so that we can get some economies of scale in our purchases.

And the third thing -- again, Commandant Allen, I do appreciate the visit to the Baltimore yard last week, and I was very impressed with the captain who walked us around. I was very impressed with the gentleman, I guess, from either Pakistan or India originally, who was your expertise on the civilian side.

But I remember asking him, "Why wasn't a hogging and sagging calculation run on this boat?" And they said, in effect, "Well, we were counting on Bollinger to do it, and Bollinger screwed up."

And I said, "Well, who is your equivalent of NAVSEA?" -- Navy Shipbuilding Command. And they said, "We are" -- two guys. And so I'm not going to blame two guys for this fiasco. Bollinger should have done it right the first time.

But what does trouble me, having been lucky enough to visit the David Taylor Research Center, having been lucky enough to work extensively with NAVSEA over the years, is, why wasn't there a greater use of that resource? Okay, that's water under the bridge. But what kind of guarantees are we going to get in the future that there'll be greater cooperation? Because, quite frankly, I understand that a major acquisition of Coast Guard large hulls is a generational thing, that the Navy is doing it every year.

There's absolutely no reason for the Coast Guard every generation to recreate a ship-buying apparatus when the Navy's got one, and the vast majority of what you all do is common. I realize

there are some things that are unique to the Coast Guard, some things unique to the Navy. And that really is going to start with you two gentlemen, that this is a cultural thing that we've got to get better as a nation, because we have seen the LCS mistakes. We've seen the 110 mistakes. And, quite frankly, we can't afford, as a nation, to keep repeating these mistakes. So what, if anything, is going to happen towards any of those requests?

ADM. ALLEN: Well, first of all, we're already moving on several of those fronts, sir. And again, I thank you for your interest.

First of all, the solicitation for the new patrol boat that will succeed the 110-foot fleet is going to be AVS class. We have Naval Sea Systems Command involved whenever they are needed. The current project office down in Pascagoula for the national security cutter is jointly staffed with both ships from Navy personnel and Coast Guard personnel. And the acceptance trials for the national security cutter will be done by U.S. Navy (in-serve board ?), first time in the history of the service, sir.

ADM. ROUGHEAD: And Mr. Taylor, if I could just add on to the approach that we're taking. Admiral Allen referred to our war-fighter talks. I think that the fact that our two services have joined over the past year to look at the future and see what capabilities we believe we, as a maritime nation, can have or need to have, and doing it jointly, leads us into the room to have the types of discussions and make the decisions that get exactly to your point.

So even though the strategy may be an overarching document, I believe it has set in motion a level of cooperation and sharing of information systems and commonalties that are going to be very important to us, and, at the end of the day, also be very economical for both of our services.

REP. TAYLOR: How about the Navy's -- my request that the Navy give a greater degree of importance to the need to replenish the Marine Corps' amphibious fleet?

ADM. ROUGHEAD: And as General Conway has mentioned, we have already met, in the brief time that I have been the CNO, to talk about and work through our future amphibious lift requirement, acknowledging the requirement that has been generated by the Marine Corps, and moving forward to create the type of capability that we need to have a viable, modern amphibious force to support the Marine Corps. So we're already going down that path as well.

REP. TAYLOR: Again, I thank you for your service to the nation.

ADM. ROUGHEAD: Thank you, sir.

REP. TAYLOR: Thank you for being here.

REP. SKELTON: Mr. Bartlett has a question.

REP. BARTLETT: Thank you very much.

I'd like to return for just a moment to Mr. Hunter's line of questioning. A bit less than a year ago now, Mr. Larsen and I and seven other members of Congress spent several days in China. We spent New Year's Eve in Shanghai. And we went there principally to talk about energy.

The Chinese began their discussion of energy by talking about post-oil. We have trouble in our country thinking beyond the next quarterly report and beyond the next election. They seem to be able to think in terms of generations and centuries. And there will, of course, be a post-oil world.

They have a five-point plan, which everybody in their government seemed to know. The first point in that five-point plan is conservation. They understood that there's now no surplus oil. To invest in the development of alternative energy sources, we need to buy some time and free up some oil with an aggressive conservation program.

Second and third points were get energy from other sources, and as much of that as you can from your own country. And the fourth one may surprise you: Be kind to the environment. They have 1,300,000,000 people, 900 (million) of which are in rural areas, clamoring for the benefits of an industrialized society. And I think they see the potential of their empire unraveling, like the Yugoslav and Soviet empires unraveled, if they can't meet these demands.

As Mr. Hunter noted, they this year will turn out, I think, six times as many engineers as we. They will graduate more English-speaking engineers than we graduate. And half of our English-speaking engineers are Chinese students. They have an enormous potential. They're now buying up oil all over the world and building a -- (inaudible).

I'm really quite surprised that in your document, looking forward, that you didn't mention energy.

I think that it is going to be the over-arching issue, not just for our country, but for the world in the next decade. And I think that many of the challenges that you face in the future are going to be a result of the competition for decreasing amounts of fossil fuel in the world.

Our obsession with corn ethanol has driven up the price of grain so that there are now children hungry in India because we're making corn ethanol for our cars. And one of the people from the world said that this was a -- what was the term he used? -- a crime against humanity.

If we use all of our corn for corn ethanol -- these are numbers from the National Academy of Sciences -- if we use all of our corn for corn ethanol, every bit of it, all 70 million acres, and discounted it for fossil fuel input, we would displace 2.4 percent of our gasoline. That's absolutely trifling. And by the way, they said also that all of our soybeans, converted into diesel, would displace 2.9 percent of our diesel.

Don't you think, gentlemen, that our maritime posture for the future needs to consider energy in a very large way? And I'm really quite surprised that it wasn't even mentioned. You mentioned a competition for resources -- energy, which would be one of those -- but you really don't mention energy as a challenge for our planning for the future. Shouldn't you have?

ADM. ROUGHHEAD: Well, Mr. Bartlett, by addressing the competition for resources, we are addressing the challenges, the potential strife that -- and even conflict that can come from that competition for resources. That is the intent of addressing it in the strategy, because we believe it will drive where we will have to operate, the types of operations that we will be involved in and, ultimately, will drive the type of fleet that we must have to operate, live, and shape that future world.

So the strategy does address competition for resources, but it's -- as we go forward in our operating concepts and in where we are going to be accepting risk and then building our programs from that, that's where that will play out in the future years.

REP. BARTLETT: But you did single out global warming. That is a challenge, I think, that's a fairly trifling one for the next couple of decades, compared to our competition for energy.

Why do you think the Chinese are so aggressively pursuing a blue water navy? They don't need one for Taiwan, do they? Won't a brown water navy do just fine there?

ADM. ROUGHHEAD: I believe that what the Chinese navy, the PLA navy, is doing is developing a blue water navy that allows them to influence and control events in the western Pacific, in -- around some of the critical straits and into the Indian Ocean. That is the navy they are building. They are very unabashed about the fact that they are building a blue water navy that will operate out to the first island chain, as they refer.

And as we have seen throughout history, and as we have seen in our own country over the course of our nation's history, that we are a maritime nation and our Navy and Marine Corps and Coast Guard are the maritime forces that can influence events in that maritime domain.

They also see, as do other countries, the importance of navies to assure their security and their prosperity, and that is what is going on. And we, as a Navy, Marine Corps, and Coast Guard, must also value our Navy and what it takes to be a global navy, to be able to influence events in ways that are advantageous to our country.

REP. BARTLETT: I thank you, Mr. Chairman.

REP. SKELTON: Ms. Davis.

REP. SUSAN DAVIS (D-CA): Thank you, Mr. Speaker. (Chuckles.)

We know the Marines are an expeditionary force, and I wonder if you could speak to the issue of whether, or to what extent we've had to sacrifice some of that role. In your maritime strategic concept, you say the "permanent or prolonged basing of our military forces overseas often has unintended economic, social, or political repercussions." Could you speak to some of those? What is that? And how far down that road, I guess, do you think that some of that role has been sacrificed?

GEN. CONWAY: Some of it, ma'am, but I think knowingly. The nation is engaged in two major fights, and as long as that's the case, the Marine Corps has to live up to its claim of being adaptable and flexible to the nation's needs, and we consider that we have done that.

When the time comes to disengage from that kind of activity -- and really, our role in Iraq in particular has been that of a second land army -- when it comes time to be able to disengage from that service to nation and retain our original expeditionary flavor and our naval roots, I think we need to be looking at doing that. And that's what the strategy now seems to me to offer, and it's a, I think, a blueprint for us to be able to do that in a little bit of a new and different fashion.

But the things -- the MRAP comes immediately to mind -- those things that would make us heavier, that would make us not nearly so expeditionary, the fact that our battalion tables of equipment are vastly different today from what they were in 2003 -- we have people working on all those things.

And so we want to be able to do both -- provide a service to the nation that it desperately needs, to help the Army with the commitments, but at the same time, when the time is right, to retain our expeditionary flavor and be lighter and harder hitting and more agile.

REP. SUSAN DAVIS: Is there a part of that, though, that worries you the most?

GEN. CONWAY: Probably the human dimension, because again, we now have a generation of young Marines who think that being expeditionary is three squares a day at the forward operating

base and a bed at night. And we need to get away from that some, and have the Navy deliver us to a moonscape somewhere where we have to start fending for ourselves and making something out of nothing. That's expeditionary.

So I think as long as we have great young leaders who can manage that mindset, we'll be okay, but we need to, again, remember what it was like before 2004 when we probably first started experiencing those things.

ADM. ROUGHHEAD: If I could just add on that, acknowledging what General Conway has just talked about, my Third Fleet commander and his general out in California have, given those circumstances have come into agreement on being able to do more with what we currently have available and what the Marines can afford to contribute so that we keep that tie that is traditional and that really gives the Navy and Marine Corps its power.

The systems are important, the ships are important, but it's when our sailors and our Marines come together, that's the power of the Navy and Marine Corps team.

REP. SUSAN DAVIS: And I think we would certainly all agree that they perform magnificently. I think the concern is what are the problems that you see down the line with that, if any? And I know, General, you mentioned also the fact that our families are brittle. That element is an important one to keep focus on, and I appreciate the fact that you're dedicating your resources to that.

Thank you.

Thank you, Mr. Chairman.

GEN. CONWAY: Thank you.

REP. SKELTON: I thank the gentlelady from California. As I understand it, we're to have three votes momentarily. But Mr. Larsen and Mr. Sestak, as I understand it, have additional questions.

Mr. Larsen.

REP. LARSEN: Thank you, Mr. Chairman.

Gentlemen, we're going to play a lightning (film ?) (to/the ?) blink here, given the shortness of time. Perhaps, Admiral Thad -- maybe for a comment -- Allen, does the Law of the Sea Treaty -- does approval and ratification of that help, hurt? Is it neutral on what you want to accomplish with a cooperative strategy, especially as it relates to other nations?

ADM. ALLEN: I believe accession to the Law of the Sea Treaty is a very positive thing for our Navy and for our country. What I saw in the Pacific was that -- the fact that we had not acceded to the treaty kept countries from doing things with us that would have enhanced the maritime security and the interoperability that are so important across a range of operations.

REP. LARSEN: Yeah. I couldn't agree more. In fact, sometimes I think we're inhibited because of two things. Number one, we're dealing with countries that understand we haven't acceded to the treaty, and number two, we are not in a position to rebuke claims that are not consistent with the Law of the Sea Treaty because we have not ratified it.

I will tell you, just in relation to Arctic issues moving north, issues related to the Continental Shelf, the potential for 25 percent of the world's oil and gas resources maybe unexploited in that

part of the world, not having a seat at the table when the claims are made on the Continental Shelf by Russia, I think robs us of a chance to act where we need to under the strategy, and also it is going to inhibit our ability to make claims on our own Continental Shelf. It's ironic that lack of ratification may be impacting our ability to exercise our sovereignty.

Second, Admiral Roughead, in your testimony, you talked about vessel tracking system. And perhaps for -- again, both Admiral Roughead and Commandant Allen, can you talk about a Navy role and Coast Guard role, and where that line is in the VTS. Is there a line, or how does it overlap --

ADM. ROUGHEAD: My view is that we no longer live in world of lines, and the ability to be able to merge the information we have, with the information the Coast Guard has, with the information other agencies have and other countries may have, that's where we have to go.

GEN. ALLEN: Maritime Domain Awareness has two major components. One is what we would call Global Maritime Situational Awareness -- be able to sense and understand what's going on there, and in the information associated with it, which we would call Global Maritime Intelligence Integration.

Both of those functions have a place. Global Maritime Intelligence Integration is part of the DNI organizational structure, and that community of interest is currently being headed by a Coast Guard flag officer. Global Maritime Situational Awareness is a program office at Coast Guard headquarters within DHS, but is headed by a Navy admiral. There are no lines.

REP. LARSEN: So as that applies back home in the Strait of Juan De Fuca, and the Strait of Georgia, and between Washington State and British Colombia with the Vehicle (sic) Tracking System, there's really no -- not only are your systems interoperable, but your people are interoperable.

ADM. ROUGHEAD: Exactly.

Do you want to answer that?

GEN. ALLEN: That's correct. In fact, we just opened a joint harbor operations center in Seattle, on Pier 36. It has representation from the Navy, in a force protection role, related to the movement of their vessels in and out of Puget Sound. And I might add, we have international cooperation with the Canadian Vessel Traffic Services in Tofino, that actually exchange information with our Vessel Traffic Services in Puget Sound.

REP. LARSEN: Yeah. Back to -- back to China, if I could just weigh in a little bit on that.

You just -- Admiral Roughead, you discussed a little bit, in response to some questions, I was going to ask, you know, what is your judgment of the Chinese military modernization? Do you have a judgment that is good, bad or indifferent? Or, how do you --

(Cross talk)

ADM. ROUGHEAD: Well, my judgment is that it is a navy that is modernizing at a rate that is exceeding what our expectations have been. There is -- there are resources that are flowing into it. It's a navy that is becoming more capable, more modern, has legs that can get it into the blue water.

And the most significant change that I have seen in my observation of it over the last 13 years is in the human dimension. We can all watch the systems they're buying, the capabilities they're buying, but what I have seen is the nature of the leadership. These are now officers, in their navy, who

have grown up in their areas of specialty -- whether it's submarine, or a surface ship, or an aviator, and bring that perspective and that ambition to their leadership positions. And I think that's one of the major drivers in shaping their navy of the future.

REP. LARSEN: Does that relate -- are you saying that although they're all PLA, they're becoming more professionalized as a military, as opposed to strictly an arm of the party?

ADM. ROUGHEAD: Or those who had risen out of the army and they are now -- these are now very professional naval officers, their desire to constitute a non-commissioned officer corps is also indicative of the value that they place on the human resource.

REP. LARSEN: Yeah. I'll just make one final note -- and not to differ too much with my friend and colleague from San Diego, California, who's not here now -- but I prefer if the Navy stuck to the Navy and let the U.S. Trade Representative's office stick to trade issues.

ADM. ROUGHEAD: Thank you, sir.

REP. SKELTON: Mr. Sestak.

REP. SESTAK: Thank you, sir. I just had two questions. The first, they both had to do with -- of some questions asked by the Congressman in the back row, on costs and numbers of platforms. I mean, you've all had your challenges from Deep-Water, to LCS, to EFE. I was struck that JSF, however, seemed to consciously have these -- to go out at the beginning of it, get about eight nations to be in on the development of it and, therefore, more people are buying -- nations are buying this platform so the cost goes down.

Why haven't we done the same thing with the -- particularly the LCS? For the first time, the U.S. Navy is going after a small ship, which seems so apropos for so other countries. The CNO of Israel was up to Wisconsin just the other day to, I understand, to look at it, but can't get in on the development of it -- and it's kind of a hull that you just, kind of, change out capability to some degree with modular. Shouldn't -- if we're concerned about costs, shouldn't we make this the JSF of the Navy?

ADM. ROUGHEAD: Mr. Sestak, I'm aware of countries that have shown an interest in LCS, but if I had to characterize most of them, they're watching us to see, will it take flight or not.

REP. SESTAK: I had dinner with the ambassador, and the CNO also stopped by. He says he's ready to sign the line if he just -- I understand it's probably different, sign the line if he could just be asked to do so. I pass it on -- just sounds like a great concept, and he's seen the CNO yesterday, or the other day, to be very, very interested and said, "I'd sign." But cost is something --

Could I follow up, and the last question is, again, I think where Mr. Hunter -- besides the trade issue, where else he was trying to go -- and that's the number of platforms. I asked that earlier question on the LCS and, you know, the concept had been that it would take this advanced deployable system -- and I was struck by what you said Admiral, it's just not platforms, it's systems -- it was supposed to take this underwater listening system, place it there and move away, and then submarines from China might go over it -- and you know where they are because it has a little antenna that says the signal -- but as you said in your response, well, you know, you kind of have some, you have to review things, and some things -- you didn't say these exact words, but some things just don't make it. You know, because you only have so much resources.

I guess my overarching question would be, do we have the wrong metric of greatness in our Navy -- really, in our Army, in our Marines, Coast Guard, or whatever? When we say we have the -- in this new transformational era, that greatness is measured by the number -- 313. Time and again you hear about capabilities-based units, and so my question really comes that as we've gone from a Navy of 600 ships, 20-25 years ago, down to 300 -- or 280 today -- no admiral would change today's Navy for one of 25 years ago, even though it had twice the number of platforms -- is what's happening with our phobic -- and I mean that in a positive way, on number, that what really gets pushed off in our -- in the resource fight, is the capability, like ADS?

I mean, now we have an LCS platform that will go out there with no ASW capability, or very minimal. So we have another platform, just can't do the mission. So do we have the wrong metric when -- (inaudible) -- we're still sticking with number as the sign of our greatness?

ADM. ROUGHHEAD: I would say that -- that we cannot totally discount numbers because, as you know, numbers have value -- just in the variety of places around the globe where we can be doing things. But I would say that our approach, and how we assess our capabilities, that there is a bias that pulls us to platform.

And that we have to get away from that. We have to look at, what it is that we are trying to do. What's the effect that we're trying to generate? And then, what comes together in totality to be able to deliver that effect? But we do tend to pull toward platforms and we have to stop.

REP. SESTAK: I say that only -- I mean, with great respect. I mean, we've gone from Desert Storm where lots of our Naval aircraft couldn't even -- they just dropped gravity bombs, to today everyone has a precision-guided munitions, to where everybody shares the common operating picture. So it just seems as though sometimes, because of understandable interest everywhere, that -- are we building the right capability for the future if we focus on, almost exclusively on numbers?

I'm out of time. Thank you.

REP. SKELTON: You will note, we have -- the votes have come and we will close our hearing.

I want to express my gratitude to each of you for your testimony, for your service -- outstanding service, and what you have, and what you are devoting to the nation. Tell that to -- tell you sailors that it's -- being one interested in history, I'm so pleased to see you celebrating the 100th anniversary of the Great White Fleet. We've all learn so much for history. And that was a milestone for you and the Navy. It was a milestone for our country.

And with this strategy that you have testified about today -- and the fact that you are together today, with the Marines and the Coast Guard; and the fact that you are helping implement this strategy control will be a historic moment in our country, not just for you but for our country. And, of course, we in Congress hope and expect to play an important Constitutional part in that.

So we thank you for your excellent testimony, your advice, and especially for your service. And with that, we'll thank you and see you again soon. Thank you.

ADM. ROUGHHEAD: Thanks, Mr. Chairman.

GEN. CONWAY: Thank you.