

PRESS RELEASE

House Armed Services Committee Duncan Hunter, Chairman

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OPENING REMARKS OF CHAIRMAN DUNCAN HUNTER

Full Committee Posture Hearing

Department of the Navy Fiscal Year 2004 Budget Request

Today, I am pleased to welcome Acting Secretary of the Navy H.T. Johnson, for this first appearance before the full committee in his latest capacity.

I am also pleased to welcome back Admiral Vern Clark, the Chief of Naval Operations.

And making his first appearance before the full committee today is General Mike Hagee, the 33rd Commandant of the Marine Corps. The committee looks forward to your leadership in the challenging months and years to come.

Three weeks ago, Secretary Rumsfeld outlined the challenge before us—to win the global war on terror, to prepare for threats we will face later this decade, and to continue to transform the military for threats we will face in 2010 and beyond.

While the current Navy and Marine Corps leadership, and the Administration more broadly, deserve credit for the effort to adequately fund equipment modernization, I am concerned that the force structure and manpower reductions being proposed to finance this effort are not only short-sighted but will lead to an unnecessary reduction in combat power and resultant increase in military risk.

The Navy and Marine Corps' fiscal year 2004 budget request is \$114.7 billion, an increase of \$3.5 billion from last year, but only a 3.1 percent increase overall. While this budget request makes improvements to pay and quality of life programs, the proposed level of funding to operate, maintain and modernize today's forces, is not adequate to sustain the proposed force structure.

The Navy's shipbuilding request of seven ships for fiscal year 2004 is up from five last year. However, as Secretary Rumsfeld noted, a construction rate of ten ships per year is required to sustain our 300-ship battle force fleet. Of particular concern, is the fact that this budget projects a Navy fleet of 290 ships by 2006 -- well below the 310 ship fleet characterized as a "moderate risk" sized fleet in the September 2001 Quadrennial Defense Review.

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The Navy and Marine Corps' aircraft procurement account proposes funding approximately 100 new aircraft in fiscal year 2004, an increase of about 15 from last year's projection. To help pay for these new procurements, the budget proposes the integration of Navy and Marine tactical aircraft squadrons. This consolidation is projected to save \$975 million over the next six years, but would cut the number of fighter aircraft by 497 over this same period—about a ten percent reduction. Given the Navy and Marine Corps' recent and current high operations tempo, I'm concerned that this proposed reduction could place further strain on our people and equipment.

To develop future systems, the budget request adds \$476 million for the Department of the Navy's research and development account above last year's appropriated level. However, the Navy's advanced submarine technology and land attack technology programs are significantly reduced. Further, for the second year in a row, the Navy's science and technology program is almost \$500 million less than last year's appropriated level.

I look forward to a candid discussion of the risks associated with our readiness, investment, transformation, and divesture strategies today and in our more detailed subcommittee hearings to follow.

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