



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

August 9, 2023

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Department of the Navy Two-Year Review

Today marks my second anniversary as your Secretary of the Navy and it continues to be an honor to serve by your side. In that time, our Navy and Marine Corps team has made much progress advancing our three enduring priorities: Strengthening Maritime Dominance, Building a Culture of Warfighting Excellence, and Enhancing Strategic Partnerships. Together we are improving readiness and modernization in order to ensure we can always fulfill our mission to be combat-ready; our future depends on the work we do today to create a more ready, modern, and capable Navy and Marine Corps team.

Visiting you at naval bases, shipyards, depots, training ranges, tarmacs, and runways world-wide, I have witnessed firsthand the progress you have made towards improving the training, readiness, and modernization of our fleet and force. Along with your senior leaders throughout the Department, I strive to ensure you have the resources you need today and well into the future. Thanks to your collective efforts, we have worked effectively with Congress via the President's Budget Requests for Fiscal Years (FY) 2022-24 to increase the Department of the Navy's top line budget by more than \$47 billion, a 23% increase from FY 2021. There is still much work to be done, and this increased investment in our fleet and force by the American people is a sacred trust that reflects the centrality of the Navy and Marine Corps to our national security strategy in this era of competition.

The highlights below describe some of the ways we are making the most of the American people's strategic investment:

- **Taking Care of Our People First.** You, the nearly one million Sailors, Marines, and Civilians who serve in our Department of the Navy, are our most valuable treasure and indeed the reason why so many allies, partners, and adversaries around the globe recognize us as the most powerful naval force in the world. With the support of our President and Secretary of Defense, we will continue to prioritize treating you with dignity and respect and we will make even more investments in your care, welfare, and training, as well as that of your family members who also sacrifice so much. Over the past two years, we have made significant investments in basic pay, housing, childcare, education, healthcare, and numerous other benefits. It's absolutely the right thing to do and we pledge to continue to do so to make you the most combat-ready and well-cared for military in history. I also recognize the many remaining personnel challenges that we must face together to resolve.
- **Shipbuilding.** Since August 2021, we have delivered 17 battle force ships to the fleet that are far more capable than those we have retired. In partnership with Congress and industry, we are more efficiently and affordably procuring ships by leveraging the advantages of block buys and multi-year procurements that provide more predictable ship and submarine build schedules. We currently have 86 ships under

contract with 54 in construction, including our highest modernization priority, the Columbia-Class SSBN. We just awarded nine Flight III DDG-51 destroyers last week. A year ago we began construction on the future USS CONSTELLATION (FFG-62) and we now have three additional frigates awarded that will provide added lethality to the small surface combatant force. Construction continues on the world's most advanced aircraft carriers. The first operational deployment of the first-in-class USS GERALD R. FORD (CVN-78) earlier this year marks a new era in aircraft carrier operations. Our amphibious transport fleet also welcomed USS FORT LAUDERDALE (LPD-28), a ship that will provide added capability to our Navy and Marine Corps team in the conduct of maritime amphibious operations around the globe.

We recognize that the submarine industrial base (SIB), in particular, faces increased demand as the Navy ramps up production of the Columbia-Class while working to procure two Virginia-Class submarines per year. With congressional support, SIB investments have led to improved workforce hiring across our submarine shipbuilders and supply chain partners; the establishment of dedicated defense manufacturing trade centers and pipelines; and the training and placement of over 4,500 people within the industrial base since 2020. We expect these numbers to grow as we resolve COVID and supply-chain related challenges faced these past several years. I am committed to closing the gaps.

- **Ship Maintenance and Sustainment.** Completing maintenance on all of our platforms and returning them to the fleet on time are critical warfighting priorities. We have realized reductions in days of maintenance delay (DoMD) across ship platforms through the targeted use of data analytics. Thanks to your efforts, from FY 2019 through FY 2022, surface ships saw a 42% reduction in DoMD while submarines in public yard availabilities improved by 29%. All platforms saw a reduction in DoMD from FY 2021 to FY 2022 with DoMD fully eliminated for aircraft carriers in FY 2022. This positive trend is encouraging, but we still need to do better. I remain committed to working with you to drive maintenance delays down even further.

Earlier this year, I approved service life extensions for five Arleigh Burke destroyers, cumulatively adding 23 years of service life for these proven, highly capable combatants. We also delivered 23 years of additional service from USS GEORGE WASHINGTON following a very long and difficult Refueling Complex Overhaul that provided “lessons learned” we have taken to heart. Additional extensions of Ohio- and Los Angeles-Class submarines are also being considered.

The FY 2023 and 2024 budgets also include key facility investments in the Shipyard Infrastructure Optimization Program—the construction, planning, and design of our four public shipyards; these investments will continue to accelerate our maintenance and sustainment efforts for both conventional and nuclear powered ships.

- **Force Design 2030.** Our Marine Corps remains fully dedicated to accelerating Force Design modernization efforts. In early 2022, the Marine Corps successfully demonstrated its lightning carrier concept by operating 20 F-35B aircraft from USS

TRIPOLI (LHA 7). Six weeks ago, the Navy Marine Expeditionary Ship Interdiction System (NMESIS) successfully conducted two Naval Strike Missile tests, meeting all objectives and demonstrating how the medium-range missile battery conducting anti-surface warfare operations enables naval and joint maneuver for our Nation. NMESIS gives the Marine Corps its first capability to contribute to sea denial and sea control operations with ground-based anti-ship missile fires. The 3rd Marine Littoral Regiment, III Marine Expeditionary Force, partnered with key allies in Exercise BALIKATAN to further enhance interoperability. These are but a few examples of naval integration and lethality that our cohesive Navy and Marine Corps team bring to the joint force, today and in the future.

- **Munitions.** Thanks to bipartisan support in Congress, we made respectable investments in strengthening the munitions defense industrial base to enhance its resilience and responsiveness. In FY 2024, we will award multi-year contracts for the procurement of essential munitions for both the fleet and force.
- **Aviation Readiness and Procurement.** We have made significant progress improving aviation readiness since 2021 while transitioning the force from fourth- to fifth-generation aircraft. Currently, 68% of Navy platforms are meeting their mission-capable requirements compared to just 26% in August 2021. For the past two years, our F/A-18E-Fs maintained a mission capable aircraft readiness (MCAR) goal of over 90% and our F-35C variant attained a 60% MCAR goal. At 66%, Marine Aviation TACAIR mission-capable rates are up 9% overall.
- **Autonomous Platforms.** I am committed to increased investment in the development and fielding of autonomous, interoperable uncrewed or minimally crewed systems across all warfighting domains. In April, we announced the expansion of uncrewed operations in FOURTH Fleet, building on the success of Task Force 59 in CENTCOM. This summer, FOURTH Fleet helped to operationalize uncrewed systems during the UNITAS 2023 exercise. We have also commenced deep sea testing of ORCA, the Extra Large Unmanned Undersea Vehicle Test Asset—a capability that has the potential to change how we operate and deliver lethality undersea. We will continue accelerating autonomous technology as we build more capability throughout the force and the fleet.
- **Contested Logistics & Strategic Sealift.** One of our highest modernization priorities is enabling our missile combatant ships to rearm at sea in the full range of sea states using connected underway replenishment from our logistics fleet, a long-standing U.S. Navy competitive advantage. This force-multiplying capability increases lethality and on-station endurance of the fleet, sending an unmistakable near-term deterrent message to our adversaries.
- **Supply Chain & Additive Manufacturing.** I know from my own time at sea that waiting for parts impacts not only operations but also morale. From my many ship visits these past two years, I've been impressed with your ingenuity in using 3D

printing to solve problems on the spot. Metallic printers first installed on USS ESSEX (LHD 2) and USS BATAAN (LHD 5) last year afford onboard production and repair capabilities. The Navy's Additive Manufacturing Center of Excellence in Danville, Virginia is compiling repair part data to transition to industry for production, lowering barriers for new entrants to the Navy's industrial base. Marine Corps Logistics Base Albany in Albany, Georgia, now a net zero energy user, is 3D printing components for equipment ranging from submarine airflow systems to elements critical to M142 HIMARS operations. Naval Sea Systems Command alone has developed additive manufacturing processes for over 500 certified parts used in ships and submarines!

These are only a few of the many more examples of the extraordinary work you have all accomplished these past years to make our Navy and Marine Corps team more ready, modern, and capable. I fully recognize we collectively face enormous challenges, but we are America's naval force and we thrive in meeting those challenges. I know our Sailors, Marines, Civilians, and contractor workforce share my determination to deliver the fleet readiness, modernized capabilities, and expanded capacity to meet the threats our Nation faces today as well as those we will face tomorrow.

I am most proud of your deeds, hard work, and sacrifices in defense of this great Nation and am proud to serve by your side. We will continue to work together to ensure our Navy and Marine Corps team remains the greatest fighting force for decades to come.



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