



CHIEF OF NAVAL OPERATIONS

May 21, 2012

The Honorable Mark Udall
Committee on Armed Services
United States Senate
Washington, DC 20510-6050

Dear Senator Udall:

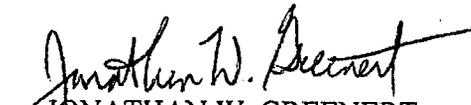
Thank you for the opportunity to provide the Navy's perspective on HR 4310, section 314 that speaks to Department of Defense (DoD) procurement of alternative fuels. We are also providing these comments through DoD's established appeals process.

The Navy's energy program is focused on enhancing our combat capability and readiness through increased energy efficiency and improving energy security. Energy security requires assured access to a reliable, secure, and affordable supply of energy for Navy missions today and in the future. To this end, the Navy has been researching alternative liquid fuels for operational use since 2003 in full transparency with Congress. While the Navy does not intend to purchase alternative liquid fuels for operational use until they are price competitive with petroleum-based fuels, the Navy needs flexibility to continue the testing and certification of all potential alternative fuel pathways to ensure the Navy has an 'off-ramp' from conventional fuel sources. It is a prudent and judicious course of action. I support the Secretary of the Navy's efforts with the Departments of Energy and Agriculture to accelerate the establishment of a domestic alternative fuels industry through the Defense Production Act Title III. This effort will enhance our energy security by diversifying the supply of fuels the Navy has for the Fleet.

In addition to the Navy's concerns, on May 16, the Statement of Administration Policy on the HASC mark of HR 4310 stated that this provision would: "affect DoD's ability to procure alternative fuels and would further increase American reliance on fossil fuels, thereby contributing to geopolitical instability and endangering our interests abroad."

There is a clear need to find cost-competitive alternative fuels, given the fiscal challenges the Navy is facing in FY12 alone due to increases in the price of fuel. The provision in HR 4310, section 314 would restrict the Navy's ability to pursue access to alternative energy sources to power the Fleet. I believe this will impede America's energy security. A similar letter has been sent to Senators Shaheen and Begich. Please contact me if I may be of further assistance.

Sincerely,


JONATHAN W. GREENERT
Admiral, U.S. Navy