HEARING TO RECEIVE TESTIMONY ON NAVY FORCE STRUCTURE REQUIREMENTS AND PROGRAMS TO MEET THOSE REQUIREMENTS IN REVIEW OF THE DEFENSE AUTHORIZATION REQUEST FOR FISCAL YEAR 2009 AND THE FUTURE YEARS DEFENSE PROGRAM

Tuesday, April 8, 2008

U.S. SENATE,
SUBCOMMITTEE ON SEAPOWER
COMMITTEE ON ARMED SERVICES
Washington, DC.

The subcommittee met, pursuant to notice, at 2:41 p.m. in Room SR–222, Russell Senate Office Building, Hon. Edward M. Kennedy, chairman of the subcommittee, presiding.

Committee Members Present: Senators Kennedy [presiding], Sessions, Collins, and Martinez.

Committee staff members present: None.

Majority staff members present: Creighton Greene, Professional Staff Member.

Minority staff members present: David M. Morriss, Minority Counsel, and Sean G. Stackley, Professional Staff Member.

Staff assistants present: Jessica L. Kingston and Benjamin L. Rubin.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy, Gordon I. Peterson, assistant to Senator Webb, Sandra Luff, assistant to Senator Warner, Todd Stiefler, assistant to Senator Sessions, Mark J. Winter, assistant to Senator Collins, and Brian W. Walsh, assistant to Senator Martinez.

OPENING STATEMENT OF HON. EDWARD M. KENNEDY, U.S. SENATOR FROM MASSACHUSETTS

Senator KENNEDY. Good afternoon. Will the hearing come to order. We want to welcome our witnesses here. We want to welcome Deputy assistant Secretary of the Navy for Ships Allison Stiller. We want to thank you. It's been a long period of service for the Navy.

Ms. Stiller: Thank you very much.

Senator KENNEDY. And not without its challenges.

Ms. Stiller: Yes, sir.

Senator KENNEDY. So we want to thank you very much for your dedication.

And Barry McCullough, who's Deputy Chief of Naval Operations for Integration of Capabilities and Resources. We thank you very much for being here, Admiral. And General Amos, the U.S. Marine Corps, Commander, Marine Corps Combat Development Command, we thank you very much. We know you've had recent service over in Iraq and we thank you. We thank all of our panel for their important public service and service to our country.

We are faced, all of us and the services, with a number of critical issues that confront the Department of Navy in balancing modernization needs against the costs of supporting ongoing operations in Iraq and Afghanistan. Within that general area there are several specific concerns for the subcommittee today.

One of these is in the prospects for meeting future force structure requirements. We're facing the prospect that the current Department of the Navy program will lead to potentially large gaps between the forces that the Chief of Naval Operations and the Commandant of the Marine Corps have said they need and the forces that will be available to their successors.

In one case, the CNO has said that the Navy needs to have 48 attack submarines to meet the combat commanders' requirements. We're faced with the risk of falling well short of that goal for more than 10 years starting during the next decade.

In another case, the Navy now predicts the Navy and Marine Corps tactical aircraft forces are facing a shortfall of at least 138 tactical fighters needed to outfit our active air wings, ten aircraft carrier air wings and three Marine Corps air wings. With shortfalls that large, we could be faced with drastically reducing the number of aircraft available on short notice to the combatant commanders, either because we have deployed understrength air wings or because we did not deploy the carrier at all because of these aircraft shortages.

I mention the aviation situation not because we will deal with it in detail this afternoon, but to illustrate that we will not be able to look to Navy aviation to be a bill-player for the problems of the shipbuilding portfolio.

Other challenges face the Navy centering on acquisition programs. We have had special concern about the Littoral Combat Ship. This was intended to be a ship that the Navy could acquire relatively inexpensively, relatively quickly. As it turns out, the LCS program will be neither. Once again, we are presented with a program with significant cost growth, which at least in part was driven by the service changing requirements after the design and construction was signed and making poor original cost estimates.

The LCS situation raises significant questions about acquisition management within the Navy. For example, why weren't the Navy and contract teams better able to see the problems sooner? At the time we marked up the fiscal 2008 defense authorization, the subcommittee believed that the second LCS team, led by General Dynamics, was likely to experience the very same difficulty as the Lockheed Martin team. You'll recall the Navy had terminated the contract on the second Lockheed Martin LCS, the LCS–3, earlier last year.

During the middle of the markup the committee heard from Secretary Winter and Admiral Mullen, who both claimed that things

were not as bad with General Dynamics' part of the program as they had proven to be on the Lockheed Martin ships. They made these assertions despite the Navy's own internal estimates to the contrary.

Late in 2007, the Navy finally realized it was facing the same situation with General Dynamics as it faced with Lockheed Martin and tried to get General Dynamics to sign up to a fixed price contract for the two ships or face outright cancellation on the second ship, just as the Navy had done with Lockheed Martin. The Navy and General Dynamics could not reach an agreement, so the Navy terminated the contract for the second vessel, the LCS–4, for the convenience of the government.

In summary, the Navy was still viewing the LCS program too optimistically as late as May last year, again just months away from having to terminate the contract for LCS- 4. I would be interested in hearing from Secretary Stiller about what actions the Department has taken to strengthen the acquisition oversight and restore confidence in the Navy's ability to manage major acquisition programs.

We have also been waiting too long for better definitions of requirements in a couple of areas. First, the Navy was supposed to already have reached some better definition of requirements for the next generation cruiser, called the CG(X). The longer these definitions wait, the less likely it is the Navy will be able to maintain the intended schedule of awarding the first ship of that class in 2011.

We also are waiting for indications from the Navy about whether they will comply with the requirements that this new ship be nuclear powered or whether they will be seeking a waiver from that requirement from the Secretary of Defense. If that ship is to be nuclear powered, work would have to begin immediately on the design of such a ship to have a chance of starting construction any time before the middle of the next decade.

Another area where the Department of the Navy has had trouble defining the requirements that has been a problem is the Maritime Prepositioning Force-Future, the MPF-F program. While the subcommittee has heard for several years about the contributions that such a force could make to Marine Corps and Navy operations, we have seen that the procurement of certain ships within that objective has been delayed each year as resolution of questions about the requirements and capabilities keep being deferred.

There are other concerns, but in the interest of time I'll conclude with the following note. The subject of Navy force structure and acquisition is not a new one for the subcommittee. Over many years and with several different individuals holding the chairmanship of this committee, we have devoted significant energies to these subjects. Today's hearing continues the subcommittee's strong bipartisan interest in the broader naval force structure issues facing the Nation today. It is in that bipartisan spirit that I again welcome Senator Martinez to the Seapower Subcommittee for the first year as serving as the ranking member of the subcommittee. I look forward to all of your testimony this afternoon and other issues facing the Department of the Navy, and we'll ask Senator Martinez for any comments he'd like to make.

STATEMENT OF HON. MEL MARTINEZ, U.S. SENATOR FROM FLORIDA

Senator MARTINEZ. Thank you, Mr. Chairman. I very much appreciate your kind words of welcome and I look forward to continuing to work in the bipartisan fashion that this committee needs to have in order to accomplish our common goals.

I also am pleased to welcome the witnesses, Secretary Stiller and Admiral McCullough and General Amos. We thank you for your service to our Nation and thank you for joining us today.

This morning the Armed Services Committee received testimony on operations in Iraq and I know the more than 24,000 marines assigned to the Multinational Force have performed remarkably, particularly in Anbar Province. Likewise, the Navy has made vital contributions in the theater. Over 10,000 sailors are augmenting ground forces in a variety of roles.

Without question, marines, sailors, soldiers, and airmen in combat are our number one priority. However, while the committee focuses on meeting the demands of these current operations, we must also take a longer view to ensure the readiness of our fleet and fleet marine force for future conflict.

The Navy reports as much as half of our ships are under way on any given day supporting the global war on terror and performing vigilance, peacekeeping, and humanitarian relief missions around the world. We're accustomed to and indeed our National security strategy is built upon freedom of the seas, a freedom that is made possible only through global presence and naval superiority. Absent a credible challenge at sea over the past 2 decades, however, the fleet has drawn down to 280 ships and it's in jeopardy of slipping further.

I share the strong concern raised by the committee these past several years regarding this decline in the size of our fleet. Particularly today as we witness rapid expansion by competitor navies, most notably that of China, we must guard against shortfalls to our numbers of aircraft carriers, submarines, amphibious ships, and surface combatants.

The CNO has presented the Congress a shipbuilding plan to reverse this trend and build the Navy back to 313 ships. Even this plan, however, which strives to balance capability with affordability, must cope with shortfalls in key warfighting areas while confronting significant cost risk. The cost estimate for building this future Navy exceeds the investments of the past 15 years by greater than 50 percent. Arguably, this is a bill that has come due as a result of the long lapse in ship construction following the end of the Cold War.

In the 2009 budget request, however, it falls four ships and $1.5 billion short of the shipbuilding plan presented to this subcommittee just 1 year ago. This—a disturbing leading indicator of challenges ahead. It is important today to gain your candid assessment of these challenges, to hear from you regarding progress on new ship programs and regarding the health and welfare of the industrial base.

As well, I look forward to your practical assessment of the Navy's ability to finance a shipbuilding plan in the face of ever-increasing budget pressures and competing priorities. In the end, we need to

arrive at a common understanding of the Navy and Marine Corps's priorities and risks and the prudent actions available to the administration and the Congress that would mitigate these risks.

I also join the chairman in my concern over the LCS program. I want to make sure that we have this on track and are moving forward adequately, because without that component of the new shipbuilding program I don't think we can meet that goal of a 313-ship Navy.

I thank you again for joining us. I thank you for the tremendous service, and I look forward to your testimony here before us today.

Thank you, Mr. Chairman.

Senator KENNEDY. Senator Collins, is there anything you would like to add?

Senator COLLINS. Thank you. I'll just wait for questions.

Senator KENNEDY. Thank you very much.

Secretary Stiller, we'd be delighted if you'd be good enough to lead off, please.

STATEMENT OF ALLISON F. STILLER, DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR SHIPS, DEPARTMENT OF THE NAVY

Ms. Stiller: Yes, sir. Mr. Chairman, Senator Martinez, Senator Collins: It's a privilege for Lieutenant General Amos, Vice Admiral McCullough and me to appear before you today to discuss Navy shipbuilding. I request that Vice Admiral McCullough and my statement, written statement, be entered into the record.

The Department is committed to build an affordable fleet at or above 313 ships, tailored to support the National defense strategy, the recently signed maritime strategy, and the 2006 QDR. For the first time in a long while, the Navy's budget does not include funding for any lead ships. This year a total of seven ships are included in the fiscal year 2009 President's budget: one VIRGINIA class submarine, one DDG–1000 class ship, two LCS, two T- AKEs, and one Navy Joint High-Speed Vessel. In addition, although not part of the Navy's 313-ship force structure, the Navy will procure one HJSV for the Army in fiscal year 2009.

I'll now elaborate on the specifics of the request. The Navy is requesting $2.1 billion of full funding for one VIRGINIA class submarine in fiscal year 2009 and advanced procurement for the fiscal year 2010 boat, and advanced procurement for two boats in fiscal year 2011. The VIRGINIA class construction program is continuing to make progress toward realizing CNO's goal of buying two VIRGINIA submarines for $4 billion as measured in fiscal year 2005 dollars, starting in fiscal year 2012.

Because of your support with the addition of advanced procurement funding last year, the Navy has accelerated the production of two VIRGINIA class submarines per year from fiscal year 2012 to fiscal year 2011. 2 months ago, the Navy awarded contracts for the construction of the dual DDG–1000 lead ships to General Dynamics-Bath Iron Works and to Northrop Grumman Shipbuilding. The fiscal year 2009 President's budget request of $2.55 billion provides full funding for the third ship of the DDG–1000 class and advanced procurement for the fourth ship. With recent approval from the Defense Acquisition Executive for the follow ship acquisition strategy,

the Navy intends to utilize fixed price incentive fee contracts through a competition for quantity.

The Navy remains committed to the Littoral Combat Ship program and LCS remains a critical warfighting requirement for our Navy. The fiscal year 2009 President's budget request includes $920 million for two additional LCS sea frames. The Navy also intends to execute the fiscal year 2008 appropriation for one sea frame, utilizing the remaining funding and material from the terminated ships. Under an acquisition strategy approved in January '08 by the Defense Acquisition Executive, the fiscal year 2008 and '09 awards will be for fixed price incentive fee contracts based on a limited competition between the current LCS sea frame prime contractors.

The fiscal year 2009 President's budget request also provides for procurements of two T-AKEs in the National Defense Sealift Fund.

The Joint High Speed Vessel program is currently in the technology development phase. Lead ship award is anticipated in late fiscal year 2008, with delivery of the first vessel in 2011. The fiscal year 2009 President's budget request includes $187 million for the construction of the first Navy-funded JHSV and $173 million for the second, Army-funded vessel. We worked diligently to stabilize our shipbuilding plan and move into serial production.

The Navy remains committed to ensure fiscal responsibility in shipbuilding acquisition programs, as evidenced by the cancellation of LCS–3 and 4 last year.

Mr. Chairman, we'd like to thank you for this opportunity to discuss the Navy's shipbuilding budget request for fiscal year 2009. Vice Admiral McCullough would like to remark briefly on a day in the Navy. Thank you. [The prepared statement of Ms. Stiller and Admiral McCullough follows:]

STATEMENT OF VICE ADMIRAL BERNARD J. "BARRY" McCULLOUGH, III, USN, DEPUTY CHIEF OF NAVAL OPERATIONS FOR INTEGRATION OF CAPABILITIES AND RESOURCES, DEPARTMENT OF THE NAVY

Admiral McCullough: Chairman Kennedy, ranking member Martinez, Senator Collins: I'm honored to appear before you today with Ms. Stiller and General Amos to discuss Navy force structure requirements and the fiscal year 2009 budget request.

Before we begin, I'd like to share with you what your Navy accomplished 1 day last month, on the 19th of March. The fleet is 280 ships strong, with 140 ships, or 50 percent, under way. There are over 332,000 active duty, 70,000 Reserve, and 178,000 civilians serving in the Navy. 6300 sailors are deployed around the world in support of the global war on terror.

Beginning in the Caribbean and eastern Pacific, HAWAII, our newest VIRGINIA class submarine, along with CROMLIN, SIMPSON, STEVEN W. GROVES, and Navy P–3s, are conducting counternarcotics operations in support of U.S. and participating nations' drug control programs.

In the European theater, DALLAS is in the Mediterranean participating in NATO operations, monitoring maritime activity to detect, deter, and respond to terrorism and other transnational threats. NASSAU, NASHVILLE, and SAN JACINTO are con-

ducting maritime and theater security operations. FORT McHENRY AND SWIFT arrive in Monrovia, Liberia, as part of the Africa partnership station, supporting an exercise delivering humanitarian assistance and medical goods in conjunction with U.S. Marine Forces Europe and Project Hope.

In the Central Command area of operations, supporting Iraqi and Enduring Freedom, HARRIS S. TRUMAN Carrier Strike Group is under way, while the TARAWA Expeditionary Strike Group conducts port visits in the Arabian Gulf. Riverine forces are conducting a variety of missions in country, while in the air Navy airborne ISR assets are providing critical intelligence to Navy and Special Operations Forces. EA–6B Prowlers are supporting efforts on the land.

CARNEY, HOPPER, AND WINSTON CHURCHILL are conducting maritime security operations, while off the west coast of Africa, OSCAR AUSTIN is supporting counter-piracy operations with coalition forces.

In the Pacific theater, NIMITZ Carrier Strike Group is under way in the western Pacific providing presence, while KITTY HAWK completes her first day of at-sea training since completing a maintenance period. ESSEX Expeditionary Strike Group is en route to Yakutsk, Japan, for a port visit after completing exercises with Republic of Philippines forces, while OHIO is in Guam after participating in the binational exercise Key Resolve-Full Eagle.

In Indonesia, HARPERS FERRY and marines from the 31st Marine Expeditionary Unit participate in field exercises and provide medical and dental civil action programs. In the eastern Pacific, Pellalu and elements of the 15th Marine Expeditionary Unit are under way, preparing for a summer deployment, while Carrier Air Wing 2 completes embarkation on ABRAHAM LINCOLN and is in the progress of performing carrier qualifications at the start of a 7-month deployment in support of OIF and OEF.

Finally, in the mid-Pacific LAKE ERIE, which last month launched a modified SM–3 missile and successfully intercepted and destroyed an inoperable satellite containing a toxic hazard, was in Pearl Harbor finishing her last day of material inspection with the Board of Inspection and Survey.

These are everyday examples of the balanced capability set the 2009 fiscal year shipbuilding program will provide to meet the challenge the Nation faces with a reasonable degree of risk. The Navy's 313-ship force structure represents the minimum number of ships the Navy requires, the minimum capacity, if you will, to provide global reach, persistent presence, and warfighting effects expected of Navy forces as outlined in the National defense strategy, the 2006 Quadrennial Defense Review, and the recently signed maritime strategy.

I thank you for this opportunity to discuss the Navy shipbuilding program with you and look forward to answering your questions.

Senator KENNEDY. Thank you very much.

General Amos?

STATEMENT OF LIEUTENANT GENERAL JAMES F. AMOS, USMC, COMMANDER, MARINE CORPS COMBAT DEVELOPMENT COMMAND

General Amos: Thank you, sir. Chairman Kennedy, Senator Martinez, and Senator Collins: Thank you for the opportunity to appear before you today and talk to you about your Marine Corps.

As we meet here this afternoon, we have a little over 2,000 marines that have landed in the southern, southeastern part of Afghanistan—I know you're aware of that—from the 24th Marine Expeditionary Unit. It's not completely on the ground yet, but they'll be flowed in within the next couple of weeks. Early elements of the lead elements of the Second Battalion, Seventh Marines Reinforced, from Twentyninepalms are on the ground as well.

When it's all said and done, there'll be 3500 marines and sailors down in the Helmand Province, arguably probably the most dangerous part of all of Afghanistan. So on behalf of those 3500 marines and sailors and the 24,000- plus that we have in the al-Anbar Province in Iraq, I want to thank you for your strong support for the last 5 years of heavy combat for the Marines.

Specifically—

Senator KENNEDY. General, where is more dangerous, do you think, to those 3200 that have arrived down there in southern Afghanistan, or to the marines in—

General Amos: I think the area where the marines are going to be in the Helmand Province, down with the Canadians and the Brits, Mr. Chairman, is probably the most dangerous area and the most unstable area of Afghanistan right now.

Senator KENNEDY. Is that more dangerous, less dangerous than Iraq?

General Amos: For us it's more dangerous. As you know, the western part of Iraq, the al-Anbar Province, was the early part that saw the Awakening from the sheiks. So that is—there's always danger there. I don't want to misrepresent it. But that area has turned around for us, for the marines.

I also carry a message from the families, from the families, the wives, the children, the parents of our marines and sailors, the husbands. I want to thank you again for your strong support for the last 5 years.

I come to you today with really just two comments. The first one is, by nature the Marine Corps is a light and expeditionary force. Arguably, we have been on land now for the last 5 years. But we're going to return to our roots, which is our naval heritage. But we need to be able to return as a light force, light enough to be able to get someplace quickly, with enough punch to complete the mission.

That mission can be something as working the tsunami relief. It can be something as not benign, but important, as removing 17,000 civilians from Lebanon 2 years ago when that crisis took place. It can also come right to our home, our home ports and our countrymen, with the Katrina operations. So everything from what we call phase zero operations all the way to the right of the spectrum, where it's major combat operations, your Marine Corps needs to be light and expeditionary.

So as you see our programs come before you, there's going to be—you'll see efforts, for instance the Joint Light Tactical Vehicle, you'll see an effort to try, for us to try to keep the weight of that vehicle down so that we can get it off the ships and get it across beaches, carry it underneath helicopters and that kind of thing.

So everything we do, from the way we recruit young men and women and promise them, really, hardship, to the equipment we buy and the way we train are all focused through the filter of expeditionary operations.

My second point, Mr. Chairman, is that we're a maritime force. As I said earlier, we've been on land now for the last 5 years, but our Chief of Naval Operations and our Commandant understand that our synergy and our greatest strength is when we come together as a naval force who go aboard ships. So as we grow the force to 202,000, thank you for your support for that, but as we do that, as we back out of Iraq, somewhere down the road we'll be able to get back aboard ships, and that's exactly where the Commandant of the Marine Corps wants to take us.

We will come from the sea more than likely for future naval operations, and when we do we'll come from amphibs and we'll come through sea bases and we'll come through MPF-F. So I'd ask for your support as we take a look at the amphibious requirements, we take a look specifically for the tenth LPD–17. We need that ship. And I ask for your continued support for the 14 ships, the program of record, for Maritime Prepositioning Ships forward.

Mr. Chairman, I ask that you take my statement for the record and I'm prepared to answer any questions that you have. [The prepared statement of General Amos follows:]

Senator KENNEDY. Without objection, so ordered.

Okay. We'll have 8 minutes, but we'll obviously be flexible.

First of all, Admiral McCullough, the Navy is projecting a shortfall, as I mentioned, of the F–18 aircraft during the next decade. According to Navy testimony, that shortfall could be as large as 138 aircraft short of the number required to support the ten aircraft carrier wings and three Marine Corps. In my opening statement I asserted that anyone looking to solve the shipbuilding problems could not look to the naval aviation to be a bill-payer. Do you agree with that assessment?

Admiral McCullough: Yes, sir. The way I look at this is particularly from the Navy. The 138 shortfall is for the Department. The Navy shortfall commencing in 2017 is approximately 69 strike fighter aircraft. There are several ways we've worked at that. We're looking at life extensions from a fatigue life standpoint on the F/A–18A through Ds to 10,000 hours, on the F/A–18E and Fs to 9,000 hours, to try to mitigate the effects of that strike fighter shortfall.

Senator KENNEDY. Well, we'd appreciate you keeping us abreast of your assessment, both of the life expectancy of the planes, what's necessary to get it, and also how that fills the gap.

Secretary Stiller, one of the big decisions in shipbuilding is to fund the third DDG Land Attack Destroyer program in fiscal '09 or whether to delay it a year and perhaps even truncate it at a total of two ships, as some have suggested. Such discussions usually included buying instead some form, buying some form of DDG–

51 Aegis destroyers, either in the 1-year delay or continuing until the Navy's ready to buy the CG(X), the next generation cruiser.

The Navy had intended to sign the contracts for two lead ships in '07, but recently completed negotiations and signed the contracts almost a year later than planned. In part, the Navy delayed the award while they switched the shipyard responsible for building the first ship. The Navy plan for the fiscal year 2009 ship is to award a fixed price contract for that ship.

Since it's taken so long to sign the lead ships contracts, which are cost plus contracts, and since very little actual ship construction information will be available at the time the contractors have to submit their bids for fiscal year '09 ship, why would the Navy believe that you'll be able to sign these contracts in a timely fashion in '09?

Ms. Stiller: Yes, sir. One is that we took several steps as we took a pause on DDG–1000. We didn't stop the activity on the detailed design. So the detailed design has been continuing right along, as well as procurement of long lead items as authorized by the DAE.

So while we didn't sign the actual construction contract until about a month ago, we were proceeding incrementally, and I fact there are a couple things that make us feel very confident that we could sign fixed price deals in '09. That's because part of what we've authorized the shipbuilders to do is to build a complex machinery block to prove out the translation of the design to the product—from the product model into the production floor, so to speak.

That's ongoing. That will wrap up at Bath Iron Works this summery and at Northrop Grumman a little later in the year. But that will inform their bids.

Senator KENNEDY. So you don't feel that you lost the time?

Ms. Stiller: No, sir. We lost about—from the original when we thought we would start on the lead ship, there was about a 5-month slip. But we still feel that we were doing the prudent things to continue the program and that the '09—

Senator KENNEDY. And that's manageable, you think?

Ms. Stiller: Yes, sir.

Senator KENNEDY. Why would the Navy believe that the contractors would be willing to take a larger portion of the risk to build the ship for roughly $2.5 billion in a fixed price contract, when the first ship cost more than $3 billion and the shipyards will have very few actuals upon which to base their bids?

Ms. Stiller: There are a couple of reasons. First of all, they will be significantly far along in design when they start production. They'll be about 85 percent. For example, LCS was less than 25 percent along. So they should be getting the return data right away.

Also, what I talked about, what we've carved out for both of them, to do a complex machinery block, and that work will be done before the bids are due, so they will have that return data, and we feel comfortable that that will prove to them and the Navy that they understand the design and what these ships truly cost.

Also, the other element is the material that's under procurement. A good portion, I'd say 98 percent, of the long lead material and some of the other commodities are already under fixed price con-

tracts for the lead ship. So they understand the material portion of the ship.

Senator KENNEDY. So you're on track on those and feel confident about it?

Ms. Stiller: Yes, sir.

Senator KENNEDY. General Amos, I mentioned the Maritime Prepositioning Force in the opening statement, where defining the requirements has been a problem. I know that it's been prudent to take sufficient time up front to define the requirements for any major program. But the MPF program appears to be taking longer than anyone had originally estimated.

While the subcommittee has heard for several years about the contribution such a force would make to the Marine Corps and Navy, we have seen the procurement of certain ships designed to support the MPF program, such as the Mobile Landing Platform, being delayed each year as the resolution of questions about requirements and capabilities has been deferred.

What clarification can you give us about when requirements will be defined for these new ships, and when will we see the plans for building these new ships stabilize?

General Amos: Mr. Chairman, we just completed about 3 weeks ago the Commandant's Title 10 war game on sea basing, and it was joint and combined. 11 nations participated, over 300 folks from OSD and the inter-agency. The whole idea was sea basing. Buried in there, in the middle of all of that, was MPF-F. It's an important part of the whole sea basing concept.

But MPF-F is not sea basing, but it is certainly the key enabler, and it is kind of the heart and soul of our Nation's ability to do sea basing in the future, vice the kind of sea basing we do right now, where you pull up with a single ship and you can't offload necessarily in stream, it's difficult to offload at high sea states. So MPF-F will provide us that capability.

The good news is that in the fiscal yearDP there are three of these Mobile Landing Platforms. We're actually going to start cutting steel on the MLP within the next couple of years and we'll see that. I predict when that ship pulls alongside an LMSR or a RORO ship and lowers a ramp onto the MLP and the first 70-ton tank comes off of that, when you have LCACs up there to take it ashore, it's going to revolutionize sea basing and our whole perspective on that in the future.

So, Mr. Chairman, I think we've got the requirements identified. I think what we've done is we've just done a poor job of being able to pass that message across to both Congress and OSD and the American people. But I think it's—

Senator KENNEDY. Well, conceptually it sure, it certainly makes a good deal sense. But there have been the questions about the implementation.

Let me ask you about the urgent needs process, General. According to recent reports, the Marine general in command of the forces in western Iraq sent the urgent request on February 17, '05, for 1169 MRAPs, and the urgent request was apparently lost in the bureaucracy of Marine Corps combat development and never made it up to the senior levels of the Marine Corps. As we all know, it took the Secretary of Defense personally getting involved in '07 to

fix a broken bureaucracy and a get sufficient number of MRAPs to forces in Iraq.

Last June Secretary Gates stated: "The way I put it to everyone is that you have to look inside the normal bureaucratic way of doing things, and so does industry, because lives are at stake. For every month we delay, scores of young Americans are going to die."

In this morning's Armed Services Committee, General Petraeus thanked the committee for their support in delivering the MRAP vehicles to Iraq, calling them life- savers.

If proper MRAP procurement had begun in '05 in response to the known threats, hundreds of deaths and injuries could have been prevented. The Marine Corps questioned the press reports about the issue, but a Naval Audit Service report last September said the Marine Corps had not established adequate oversight of the urgent needs requirement process: "This process at the time of our audit was effective."

The Marine Corps has asked the Pentagon's IG to examine the allegations. The real question is whether the Marine Corps today is adaptive enough to meet urgent needs. There are many success stories with rapidly fielding urgent needs in the last few years, including small unmanned ground and aerial vehicles, handheld electronic translators, and Quick Clot, a granular mineral material that speeds the natural clotting process and limits blood loss.

But many of these successes have involved the Army's urgent needs system. The Army's rapid equipping force has been in place for years. It seems to be a more responsive system for addressing urgent needs, including the practice of deploying many of its members to forward teams throughout Iraq and Afghanistan to identify needs and then assess how well rapidly fielded equipment works.

So I'm concerned, General Amos, that the changes the Marine Corps seems to be making to the system are only bandaid solutions, more importantly, that not enough of the changes are long term. If too much of the system is being fixed in informal meetings or by personal intervention of senior leaders, that doesn't fix the bureaucracy for the future.

So what actions are you specifically taking to make changes to the urgent needs process and to codify these changes so that the entire culture with respect to urgent needs is fixed in the Marine Corps?

General Amos: Mr. Chairman, I truly appreciate your concern in this area. There are probably a number of urgent needs in '03 and '04 and '05 that have my personal signature on them from Iraq. So I'm very sensitive to this and I do appreciate exactly what you said.

As I look back on 2005—and I was there, had come up from Camp Lejeune and was part of the meeting when the decision was made to buy the 1114s. I know you've been briefed on that, as your staff has. But honestly, at the time we thought, the Commandant did and the senior leadership, thought we were doing exactly the best thing for the Marines as a result of our IG that had just come back and said the Marines want the up-armored Humvee.

I look back now, like you, I regret that we didn't have the foresight to buy the MRAPs in 20005. They have saved lives and they are a critical enabler. But what we've done since the naval audit report has come in—and they talked about three major things.

They said you need to have some type of overarching order that defines roles and responsibilities, you need to have a tracking system that allows visibility up and down the chain, and you need to establish controls and provide oversight, in other words metrics. And we've done that.

In 2006 we've had a Lean 6 Sigma effort that's come in, that came in before I went there and took command. The results of that are right now an electronic system in cyberworld where when a requirement comes in from the fleet—and it has to come in from our warfighters; it can't be just somebody that's in WESTPAC that's not affiliated with warfighting necessarily. But when that urgent need comes in, we see it, I see it automatically right here as well as my other generals, my colonels and the folks that process this thing.

We see it. It comes in, it flows. We've reduced the amount of time. We've got visibility. We've done everything, I think, that we ought to be doing as responsible stewards of the lives and requirements of our young men and women. So I think we're there.

I'd like to give you two examples of what just took place within the last about 2 weeks to kind of talk about the value of this cyber system, this virtually network where everybody gets to see it. The 24th MEU that's on the ground in Afghanistan right now, the commander about 2 weeks before he deployed, so just about a month ago, said: I need tier two UAVs. We don't have any with the MEU. That's not an integral part of a Marine Expeditionary Unit. That came in signed by the three-star. I saw it. It came into the process. I looked at it and I said: We need to get moving on this right away because this thing is going to—this MEU is going to deploy immediately.

While this thing was grinding its way—and I say "grinding" not in the slow term, but I mean working its process—it went right to the head of Marine Aviation, went over to the Naval Air Systems Command, and we already have it under contract, and the Scant Eagles will be in theater here within the next probably 2 weeks.

The second thing they asked for is a counter-mortar radar. We don't have that. That's not part of a battalion's normal fix. That thing popped up. I saw it about 2 weeks ago and said: Let's buy it; it's in the system; it's commercial off-the-shelf; other forces have it.

So Mr. Chairman, I appreciate what you're saying. I think we understand and we've got the system in place.

Senator KENNEDY. Well, I thank you. My time is up, and I think it's impressive, what you've said and what you've done. We want to make sure that it's going to be a system that's going to remain in place.

General Amos: Yes, sir.

Senator KENNEDY. Perhaps I'll be a little bit more specific and ask if you'd give me maybe a note on this about how you're working on this. [The information referred to follows:] [SUBCOMMITTEE INSERT]

Senator KENNEDY. Just finally, Admiral McCullough, my time is up, but I'm interested always in mine warfare—

Admiral McCullough: Yes, sir.

Senator KENNEDY.—and how we—General Amos talks about how we're coming in from the sea and returning to the sea, and this mine warfare has been an area which we've been interested in for some period of time. I'm going to submit some questions just on that.

The last question, if I could ask, Admiral: I understand, since the time that the COLE was in Aden and they had that tragedy there, that naval ships don't go back into Aden. A person was talking to me. I was in preparation for the Petraeus hearing and this person mentioned to me that this has some significance, because they're trying to make the point that Al Qaeda is making is that once the United States leaves it doesn't come back, and they were using the fact that there had been the attack on the COLE and we haven't had a Navy ship that's come back into Aden. And they used other examples, the Khobar Towers in Saudi Arabia; once Americans have left places they don't come back, and if they leave in Iraq they're not going back.

It was just an interesting point. I see you down here at the other end of the table. I don't know whether you want to make a quick comment on this or whether there's a reason that they don't come. I know it was rare that they went there, but if you want to submit something later. It's a sort of off-the-wall question. [The information referred to follows:] [SUBCOMMITTEE INSERT]

Admiral McCullough: Yes, sir. I'll have to check on whether we've put anybody back into Aden. I'm not sure that that's totally correct, but I'll go get that answer.

Senator KENNEDY. Yes, that would be fine.

Admiral McCullough: We've used Aden as a refuel point for ships that were independently deploying to Fifth Fleet to execute maritime security operations, both going in and coming out, and that's what we used Aden for. We didn't use it a lot, but that's what we used that for.

Senator KENNEDY. Okay. If you could just let me know I'd appreciate it. Thanks very much.

Senator Martinez?

Senator MARTINEZ. Thank you, Mr. Chairman.

Admiral McCullough, one of the things we've been discussing is the need for there to be a floor of a 313- ship Navy. I was just wondering from your perspective, what is the optimal number of ships that we should have in our Navy, obviously 313 being the goal?

Admiral McCullough: Senator, we look at the 313 number as a capability-based force structure based on a 2020 threat. As we speak to our component commanders globally, specifically in Pacific Command with PACFLEET and in Central Command with COMUSNAVCENT, there's always a higher demand for presence than we have in theater. Specifically, Admiral Willard would like to get at the southwestern Pacific.

I don't have a specific number to give you, but I'll tell you that in a lot of ways capacity becomes a capability of its own point. So I'll get back to you on a higher number, but CNO has specifically said we believe we can do the Nation's bidding in accordance with the maritime strategy with moderate risk with a 313 capability-based force structure.

Senator MARTINEZ. I know there are some challenges in funding this and in the budget and so forth for this, and I was just wondering. The CNO has emphasized that he will control the costs by controlling requirements.

Admiral McCullough: Yes, sir.

Senator MARTINEZ. But in spite of this, Congressional Budget Office believes that the Navy has underestimated shipbuilding costs by $3 to $4 billion per year, suggesting further cuts are necessary to meet the overarching requirement for the 313-ship Navy. So Admiral, my question is has the CNO—how has the CNO's direction to control requirements translated into policy and practice? It would be good to know exactly examples where we've done that in the reduction of shipbuilding costs.

Admiral McCullough: Well, sir, when we submitted the 2009 shipbuilding plan to Congress we looked at what we had said: in fiscal year 2005 dollars to execute the plan, that we needed about $13.4 billion a year. Our review prior to submitting the 2009 plan, because of the escalation in material and some labor requirements in the various yards, said that we should probably have funded that to about $14.6 billion a year, which in '07 dollars is about $15.7 billion a year. So right now we believe the plan's based on $15.7 billion a year and escalated out through 2020.

Additionally, the CNO asked us to look at a different way to couch a shipbuilding plan, because we think we understand relatively well the costs in the near years and through the fiscal yearDP and probably to some degree out through what we call the near term, to 2020. Beyond 2020, the ships in the shipbuilding plan are replacements for ships that were built in the late 70s and 80s and are just sort of our best estimate on what they'd be in a per-unit replacement.

Requirements generation. We've worked with the Marine Corps and the secretariat to develop an acquisition governance process which gets senior Navy leadership much more involved in major acquisition decisions at an earlier point. We call it the six-gate review process. The CNO or the Commandant are responsible for the first three gates, which involve development of the initial capabilities document, the guidance to work through the analysis of alternatives, and approval of which alternative is selected, and then development of the capabilities development document that goes into the joint capabilities process.

At that point, the secretariat, specifically the assistant Secretary of the Navy for Research, Development, and Acquisition, starts to chair the gate reviews. We have developed a process called a system design specification that goes into the overarching requirements, technical requirements that exist currently in the Navy, to better specify what requirements we put in the request for proposals with the contractor.

Once we agree on the system design specifications and the capabilities development document is approved by the JROC process, we come together and develop the request for proposal. This goes through another gate review that's approved by the assistant Secretary of the Navy for Research, Development, and Acquisition.

The way I liken this to is when we used to develop KPPs, key performance parameters, in the capabilities development document,

they're high level requirements, like a ship will go so many knots for X number of miles, or it'll have so many weapons tubes in it, and it'll have threshold and objectives in those requirements. We then gave that to the acquisition community and expected them to develop detailed requirements to pass to industry. We didn't always do that very well.

So the system design specification will provide adequate detail to industry so that if I had asked for a CTS Cadillac that the specifications I give to industry tell them I want a CTS Cadillac and can't be interpreted to mean I want a Ford F–150 pickup truck.

So I think through that process we better control our requirements, because throughout the process we review the health of the program, the budget, and the cost estimates. And this process has been recently implemented and I think that's probably what the CNO was referring to.

Senator MARTINEZ. I was going to ask Secretary Stiller, Ms. Stiller, if you could focus on the requirements discipline that is necessary, but not enough to reduce costs, and what is the acquisition organization doing to improve cost estimates and to elevate cost control in the shipbuilding contracts?

Ms. Stiller: Yes, sir. Just to echo what Admiral McCullough said, I have one tangible example that came out right after we went through the LCS review. We were in the process of getting ready to issue the request for proposal for the Joint High-Speed Vessel, and we took a pause and worked with the requirements community and what I call the technical community that's writing the building codes to say, do we really want these features to be designed to Coast Guard specs, naval vessel rules, or military specs.

We came up with a detailed matrix, which is part of what an SDS will do, that will tell you what specifications you want to build that ship. So we delayed the RFP release until we knew we had it right and we had agreement across the board. That's one example.

But what we're doing on the acquisition side to improve the independent cost estimates is, we're using realistic indices. We've seen escalation on certain materials, like nickel for example rose 700 percent in 1 year. Instead of using just standard OSD inflation indices, we're looking at the indices that are specific to shipbuilding—copper, steel, aluminum. Whatever goes into a ship, we're watching those and factoring those into our cost estimates.

We look at cost estimating relationships as it relates to ships we've built in the past and what does that mean to future ships as it relates to ships we've built in the past and what does that mean to future ships. As we get through a bunch of these lead ships and we start to get into serial production—that's why I commented I'm very happy we don't have lead ships in this budget—it helps us to inform our cost estimates for the future ships, and we're using those as well.

We look at obsolescence and we work with the shipyards to understand where we might have obsolescence issues in the vendor base, so that we can factor that in as well.

Another tool that we've given to all the program managers is restrictions on the type of changes that they can approve. Changes for safety items or test and trial deficiencies, for example, they

have the ability to make the change. If it's I want more or somebody else tells me I want more, they have to come and ask approval through the process. So that will greatly reduce the number of changes that are introduced during the design and construction of a vessel.

Senator MARTINEZ. Thank you.

My time's about to expire, but let me ask one last question. Admiral, regarding the situation at Mayport, the EIS has now been completed and I was wondering what your plans were for future funding of Mayport, particularly to complete any of the improvements that need to be made. Are you at all familiar with what I'm talking about? We need some dredging, wharf upgrades, and things of that nature.

Admiral McCullough: Yes, sir, I'm familiar with that and I've dealt with it on the periphery. I'd like to take that question for the record and have the right folks get you the correct answer. [The information referred to follows:] [SUBCOMMITTEE INSERT]

Senator MARTINEZ. And I'd like to know when is completion of the strategic laydown study so that we may know when a decision may be made on that.

Admiral McCullough: Yes, sir.

Senator MARTINEZ. Thank you.

Senator KENNEDY. Senator Collins?

Senator COLLINS. Thank you.

Ms. Stiller, I want to take up where the chairman left off on the DDG–1000. Some House members have proposed terminating the DDG–1000 after building just the two lead ships and instead building more DDG–51s, which the Navy has not asked for.

So first let me get you on record: Does the Navy oppose that plan?

Ms. Stiller: Well, right now, ma'am, the program of record is seven DDG–1000s. That was signed out in the 30- year shipbuilding plan.

Senator COLLINS. So that's a yes, right?

Ms. Stiller: Yes, ma'am.

Senator COLLINS. In addition to the many capabilities that would be sacrificed if we went back to the DDG–51 instead of proceeding to the DDG–1000, there are also some important cost considerations. The DDG–51 is coming to the end of that class of ships. Has the Navy done an estimate of how much it would cost to restart the DDG–51 line?

Ms. Stiller: Ma'am, we've looked at it in a couple of ways because we've been requested from the House side. Some of the estimates are if you built one ship it would be $2.1 billion and if you built two it would be $3.3 billion if you go back to DDG–51. However, I expressed concern when I testified before the HASC that I don't necessarily understand all the sub-vendor implications, because, as you know, the last multi-year was signed in '02 and we did an economic order quantity.

So I have agreed to work with the shipbuilders to try to understand that sub-vendor implications, and I don't have that data yet. They're going to come see me in a couple weeks. But there may be some sub-vendor implications that we were not aware of when we cost this. But right now those were the estimates, yes, ma'am.

Senator COLLINS. And if there are those implications, that presumably would increase the cost still further, correct?

Ms. Stiller: Yes, ma'am.

Senator COLLINS. In addition, has the Navy looked at the total life cycle cost, the total operational costs of the DDG–1000 versus the DDG–51?

Ms. Stiller: Yes, ma'am. As part of all program documentation that we take forward to the Defense Acquisition Executive, we have to look at the total ownership cost of those vessels. I don't have the comparison between DDG–1000 and DDG–51. I'll have to take that for the record. But I'll be happy to provide that for you.

Senator COLLINS. As luck would have it, I do have that information. It's my understanding that the Navy has estimated that the DDG–1000, when you look at the total life cycle costs, that it actually costs less to operate the DDG–1000 over 35 years than the DDG–51. In fact, the estimate that I have from the Navy is that it's $4.5 billion less to operate ten ships over 35 years.

Setting aside that issue for just a moment, isn't there a considerable cost savings that results from the far smaller crew size that is needed to operate the DDG–1000 compared to the DDG–51?

Ms. Stiller: Yes, ma'am. Certainly manpower reductions will save you over the life of the class. There are additional maintenance costs, though, when you do that. When you take sailors off, there's going to be more shoreside maintenance that will have to be done. But overall I do believe there is a net savings. I just don't—I hear your numbers. I'll make sure that I go back and verify those.

Senator COLLINS. Thank you.

It's my understanding that the crew size for the DDG- 1000 is projected to be only 148 sailors. Admiral, if I'm wrong on that feel free to jump in.

Admiral McCullough: Yes, ma'am. The core crew on the DDG–1000 is 114 crew members. The aviation det's 28, so the total for the ship is about 142.

Senator COLLINS. 142. And that compares very favorably with the DDG–51. The crew size for that I believe is something in the neighborhood of 346 or so; is that correct?

Admiral McCullough: Yes, ma'am, depending on what variant of the ship and what we've done to take efficiencies in Smart Ship and drive the crew size down. But it's in excess of 300 folks, yes, ma'am.

Senator COLLINS. So we're talking about a ship that is more capable and yet can be operated with about half the crew size; is that accurate?

Admiral McCullough: It's much more capable in the littoral, given the radar sweep that we put on it, the silent—the signature reductions that we've put into the ship. And yes, ma'am, it's got less than half the crew size on it.

Senator COLLINS. Admiral, could you speak to some of the other capabilities that the DDG–1000 would give the Navy that it does not currently have with the DDG–51, fine ship though that is?

Admiral McCullough: Yes, ma'am, DDG–51's a great ship.

DDG–1000 has ten technological advancements on it, and I'll do the best I can without a cheat sheet in front of me. It's got an integrated electric drive fight-through power system that's a 78 mega-

watt power plant, and it is electric drive. It's got a significantly reduced acoustic signature that rivals the signature of some of our attack submarines. It's got a thermal suppression system that reduces the infrared signature of the ship.

The hull form is specifically designed to reduce the wake, which is a significant portion of the radar cross- section of the ship. So the ship has a very, very small radar cross-signature compared to a DDG–51.

Senator COLLINS. So it's stealthier?

Admiral McCullough: Yes, ma'am.

We put two advanced gun systems on it that are unmanned 155 tubes, that are designed to shoot a long-range land attack projectile that has a nominal range in excess of 60 miles with a very small circular error probability. So it's very accurate. It's GPS-guided. The system is designed so it can have multiple rounds simultaneously impact the target at that range.

The gun system is totally unmanned. I would tell you from the work that we've done from computer simulation and actually shot the gun at Dugway Proving Grounds in Utah, if you looked at the computer simulation of the gun and compared it to the real gun firing, you can't tell which one's which until the breach block opens on the gun.

We have fired the long range land attack projectile from a 155 tube. I believe it was at Point Magoo. We fired it at a barge approximately 60 miles at sea. We put a video camera on the barge. The barge owner was not as convinced as we were what the accuracy of the projectile would be. They made us insure the barge. And you can see the projectile splash off the barge where it was supposed to.

The SPY–3 radar, the X-band radar on that ship, provides the ship with periscope detection as well as very high fidelity in the littoral. So it reduces the clutter of the radar and enables it to see targets over land much better than what a SPY–1 can do.

The last one's the fire suppression system, which enables us to reduce the crew size.

Senator COLLINS. Thank you, Admiral. I think it's clear that it is an extraordinarily capable ship which will be able to be operated with half the crew size, which has life cycle costs that are extremely favorable, and that we should proceed with it.

If I could just ask one more quick question of Ms. Stiller. Ms. Stiller, how important is the DDG–51 modernization program to achieving the goal of a 313-ship Navy?

Ms. Stiller: DDG Mod is an important component. But I'll defer you for the requirements.

Admiral McCullough: Modernization of our current fleet is the heart of the 313 force structure plan. If you look at 2020 and look at the battle force inventory, the majority of the ships that make up the battle force inventory are sitting at the pier today.

We historically don't do a good job with ships if we don't modernize the combat systems. If you look at the 993-class DDGs, we decommissioned them at about 17 years, which is half their ESL, engineered service life. The Baseline 1 cruisers we decommissioned at about 20 years. That was about half of their expected service lives. And the SPRUANCE-class destroyers we decommissioned at

an average age of 22 years, which is half of their estimated service life roughly.

If you don't modernize the combat system and you can't pace the current threat, the ships have a tendency to become irrelevant. So the combat systems and hull, mechanical, and electrical modernization program that we've put in for the 47 cruisers in the DDG–51s is a key cornerstone of the 313 plan, and BUNKER HILL's in her modernization right now.

Senator COLLINS. Thank you.

I would just conclude my questioning by saying to the chairman that the most efficient way to undertake that modernization of the DDG–51s, a modernization that we just heard is critical to achieving the goal of a 313-ship fleet, is to return those ships to the building yards, which have the expertise to do the retrofits in a most efficient manner.

Thank you, Mr. Chairman.

Senator KENNEDY. I never thought of that before. That's a real interesting observation.

Senator COLLINS. I know the chairman wants to save money at all times and the best way is to bring them back.

Senator KENNEDY. Bring them home, bring them home.

Senator COLLINS. Thank you, Mr. Chairman.

Senator SESSIONS. Thank you. And I'm not surprised that Senator Collins had all that information when she asked that question. She's not trained as a lawyer, but she usually knows the answer before she asks.

Let me ask a few questions about the Littoral Combat Ship. I'm a little worried about that. But first let me compliment the Navy on a decade, I guess, of work that is designed to transform the Navy into an effective fighting force that can utilize less personnel, more firepower, and more capabilities. I hope we continue to do that, but we don't need to weaken the Navy in the process. So I hope you'll keep us advised.

As I understand it, I think it's clear that the Navy has placed, Secretary Stiller, the Littoral Combat Ship at the center of its procurement and at the center of its 315- ship Navy. How many of those LCS ships are planned to be part of the 313-ship Navy?

Ms. Stiller: The plan is still for 55 LCS as part of the 313 plan.

Senator SESSIONS. At one point it was as high as 82, I believe, in one of the plans.

The LCS vessel has outstanding capabilities in areas, for example, like the Persian Gulf, would it not?

Ms. Stiller: Yes, sir. I'm going to defer to Admiral McCullough.

Senator SESSIONS. Admiral McCullough, I guess I'll ask you.

Admiral McCullough: Yes, sir. The ship's designed as a focused mission ship. It has very good capability in mine warfare and in the anti-surface warfare area that we looked extensively at scenarios in the Arabian Gulf, yes, sir.

Senator SESSIONS. And it's not exactly a replacement of any other ship. It's more of a new capability for the Navy; is that correct, Admiral?

Admiral McCullough: Yes, sir, that's correct.

Senator SESSIONS. What are some of the new capabilities that you expect to achieve from that ship?

Admiral McCullough: It has significant enhancements in the mine warfare area, specifically with a remote mine- hunting vehicle that tows an SQS–20 Alpha sonar, which is a very accurate sonar, to find mines.

Senator SESSIONS. Let me mention that Senator Kennedy I think for years has rightly been concerned about mines and the threats of mines to major vessels. One mine can neutralize hundreds of millions of dollars of a ship capability.

The LCS clearly is an advancement in our anti-mine capability?

Admiral McCullough: Yes, sir.

Senator SESSIONS. Would that be one of its top—it's the first one you mentioned and one of its capabilities.

Admiral McCullough: We've delivered the first mine mission package. It came out just last fall. It had the remote mine-hunting vehicle, the 20 Alpha sonar. We're working on an airborne mine neutralization system. It also included an airborne laser mine detection system and the support equipment that goes with that.

We're working on some additional capability which involves putting a 30-millimeter gun on the ship to neutralize mines. The system's called RAMIX. We're also working on a program where it can detect mines over the beach. So this will have a significant mine warfare capability to enable us to maintain access against people that would use mines as an anti-access strategy.

Senator SESSIONS. Compared to capabilities, this ship also has personnel demands?

Admiral McCullough: Yes, sir. The core crew on the ship is 40 folks. There's 15 folks that go with the mission packages and about 20 or 22 that go with the aviation detachment on a ship.

Senator SESSIONS. So 60 or so even with the packages and capabilities.

Admiral McCullough: 75, yes, sir.

Senator SESSIONS. Fuel mileage? It depends on how fast it goes, right?

Admiral McCullough: It depends. Yes, sir, it depends on how fast it's traveling. The ship's designed to go—the threshold key performance parameter for the ship is 40 knots. Both of the ships use large gas turbine engines as well as diesels, diesel engines to propel them. So even with the advanced All-Form and General Dynamics variant, they still burn a lot of fuel when they go fast, yes, sir.

Senator SESSIONS. But just to ask you, Admiral McCullough, the Navy remains committed to this ship to being 55 of the 313 ships we envision in the Navy?

Admiral McCullough: Yes, sir, that's correct.

Senator SESSIONS. And we have one today.

Admiral McCullough: Yes, sir.

Senator SESSIONS. Now, Secretary Stiller, I have been concerned. I can't complain too much. I've got to admire Secretary Winter for saying we're going to challenge the costs, we're going to keep costs down. Basically, you've sort of put a hold on both versions now of the ship. Explain to me in simple English where we are in terms of bringing this ship up to the 55 we're supposed to have. Are we going to be behind? Does this represent any lack of commitment on behalf of the Navy to the ship, or do you remain committed to it as a critical part of the future navy combat system?

Ms. Stiller: Yes, sir, we are committed to the LCS program. Right now LCS–1 is about 82 percent along in her construction. She'll go to builder's trials here in May. LCS–2 is about 68 percent along and she'll launch in late April.

We have one ship in '08 and two in '09 that we are in the process of running a limited competition between the two primes for the total of three. Ideally, one would have one and the other would have two. That RFP was just released and so the contractors are in the process of working up their proposals. But the Navy's hope is to award toward the latter part or the summertime the '08 ship as well as the options for the '09 ships.

As for getting to 55, I believe in the 313 plan we still get there before 2020. It's in 2019. So we've laid out a ramp-up of quantities that will get us there by 2019.

Senator SESSIONS. Well, I can't criticize you if you need to examine the expense, examine the capabilities, and make a good decision. But I do think that you have to be aware that in the environment we operate under that if we delay something too long and we can't make up our minds it can allow Congress to take money and spend it on other things.

If it's a critical part of your shipbuilding capability, Admiral, and your needs for the warfighter, we don't need to—we don't need to dawdle around here. We need to work out the problems, challenge the contractors if need be, and get this thing moving.

Do you understand the dangers that we can have with uncertainty in the procurement process?

Ms. Stiller: Yes, sir, absolutely. That's why we are moving forward as quickly as we can on the '08 and '09 procurements, which will also be in a fixed price environment, recognizing the cost cap imposed by the Congress as well.

Senator SESSIONS. Thank you.

Senator Martinez [presiding]: Thank you.

A second round, if anybody cares to have a second round? [No response.]

Senator MARTINEZ. I will—I want to focus on the LCS, but I want to make sure that we talk a little bit about the amphibious lift requirements, General Amos. My understanding is that the Marine Corps has long had a requirement for three amphibious brigades to conduct amphibious assault, but fiscal constraints reshaped this requirement for operationally available amphibious lift to two brigade assault echelons.

So how does this requirement for two brigade assault echelons translate into numbers and types of amphibious ships, and what are the assumptions and related risks in sizing this amphibious force?

General Amos: Senator Martinez, you're absolutely correct. There has been risk that has been taken already as we went from three Marine Expeditionary Brigades worth of assault echelon, which equates to forcible entry, our Nation's ability to project forces from the sea ashore in an environment or a nation that doesn't want us to be there. So we went from 3 to 2.5 and we're down to 2.0 right now.

That number of marines and that requirement requires just a little bit over 17 ships to hold that many marines, 17 ships per Ma-

rine Expeditionary Brigade. A decision was made 2 years ago by the Commandant and the Chief of Naval Operations to accept the level of risk, further level of risk, and allow those total numbers to get down to 15 per Marine Expeditionary Brigade.

So that's a total of 30 ships. Now, just like anything else, like airplanes and whatever, everything's not up 100 percent of the time. Things are in maintenance, things are in overhaul. So if you just take the historic average of maintenance and availability, you need about 34 ships. You need a little bit more than 34, but 34 ships to bring those two brigades worth of marines ashore.

Now, it's important to note that the mix inside that is important, and that's why in my opening statement I talked about the tenth LPD and I talked about the importance of that ship and the capabilities it brings. It's a 25,000 ton ship. It is an enormous ship and it's very, very capable.

So we're looking at a proper mix inside those 15 ships: five big-deck what we call LHA-LHD ships, five LPD- 17 ships, and five LSD–41 or 49 ships to bring up the total of 15 to put in there. So that's how we got to the total requirement agreed to by the Chief of Naval Operations and the Commandant of 34 ships. It's really about 33, 11 big decks, 11 LPD–17s, and 11 LSTs.

Senator MARTINEZ. We need to fix the problem. My question to you would be, what would be your priorities in terms of fixing the capabilities and the shortfalls? From your perspective, how would you like to see this proceed?

General Amos: Sir, I think—not "I think." I know the Commandant's number one unfunded priority for this year is the tenth LPD. Right now there is the LPD–17 line is scheduled to be shipped in fiscal year 2009. There is money applied to that, $103 million, and what the Navy and the Marine Corps—I'll just speak for the Marine Corps. What the Marine Corps would like to see happen is to have that tenth LPD fully funded with GWOT funds and get that thing under way and under contract.

Senator MARTINEZ. Ms. Stiller, if that was not to take place what would then happen to the industrial base for the shipbuilding of that particular class of ship?

Ms. Stiller: If you look at the industrial base and where we are in the LPD production, I would say that you could wait until fiscal year 2010 to buy that ship with a little bit more risk, but beyond that you would definitely end up with a cold production line.

Senator MARTINEZ. One last question, General Amos. As you indicated in your opening remarks, the role of the marines in Iraq and Afghanistan has been a land-based sort of role, not the traditional role of the Marine Corps in expeditionary warfare. Is there a need for you, for the Marine Corps, to rebuild this fundamental expertise through the ranks of the Corps in order to retain the full skills and capabilities required to project power ashore from the sea?

General Amos: Sir, there is. The Commandant's talked to his leadership about that. We have really a couple of generations of young company-grade officers now that have never even been aboard a ship, because we've been focused solely, narrowly on the set of operations that we're doing in Iraq and Afghanistan. So we understand that.

One of the driving factors behind growing the Marine Corps to 202,000 was to give us a little bit of elasticity in the deploying units. Right now—and I know you know this, Senator—there's a large percentage of our front- line combat units that are on about a one-to-one dwell to rotation. They're gone for 7 months, they're home for 7 months. It's a bit of a ruse because they're home really for probably 6 to 5 months because they spend 30 days at Twentyninepalms away from their family, then they're going to rotate early so that they can go over there and relieve the unit that they're going to take their spot. So somewhere between 5 to 7 months is the time they're home.

So if we grow the force we get a little bit more dwell, hopefully two-to-one, which is our goal. Then when we do that, that now allows us, the senior leadership, to be able to say: Okay, you're going to go a year from now or 14 months from now, you're going to go back into Iraq, you're going to go into Afghanistan, instead of saying 5 months from now and we have to start training immediately.

So that allows us the opportunity to do some full- scale operations and training. We're building that capability right now with the growth of the force and with the training plans that come underneath my command down at Quantico. So we recognize it. We need to be able to do it. Quite honestly, it's a Title 10 responsibility that Congress has given us and we're not doing that right now.

Senator MARTINEZ. I think the hearing is concluded. Thank you very much.

[Whereupon, at 3:56 p.m., the hearing was adjourned.]