

**Statement submitted by John F. Lehman, Jr. to the Subcommittee on  
Seapower of the Senate Armed Services Committee on Tuesday July 17, 2017**

Building the 600 Ship Navy

Good afternoon Mr. Chairman, Ranking Member and members of the Committee.

It is a pleasure to be here to describe the events that made the 1980s Navy buildup possible, both in planning and execution. My purpose here today is to recommend to you that it is time for another such naval buildup and to try to convince you that it can be done affordably and rapidly.

To begin with, the successful building of the 600 Ship Navy of the '80s was based on a coherent global National Strategy and its integral naval component; something that has been absent for the last twenty-five years.

Since World War II it has been rare to find major changes of direction in American national security policy. The first of these changes took place in the years after the war when optimism for world peace was replaced by the Iron Curtain, NATO, and the policy of Containment of a militant Soviet Union.

Another sea-change took place in 1981, when a bi-partisan majority emerged to adopt a more activist pushback against Soviet aggression and Iranian terror. The new strategy was backed up by a major expansion of American military power.

At the center of the new strategy was the US Navy. To carry out this global forward strategy the Navy and Marine force structure had to be expanded rapidly to 600 ships including 15 carrier battle groups with 14 active and 2 reserve carrier air wings, four surface action groups built around four battleships, Marine amphibious shipping sufficient for 50,000 marines, 100 attack submarines, 100 frigates, 137 cruisers and destroyers and more than 30 ballistic missile submarines. Of equal importance was a massive program of global forward naval exercises to demonstrate the power of NATO to command the seas and surround, attack and defeat any attempt by the Soviet Forces to attack NATO in central Europe.

We believed at the time that 90% of the deterrent power of this buildup could be achieved in the first year. This was done by publicly declaring and explaining the strategy, especially its naval component, and taking actions that left no doubt among friend and foe that it would be achieved. Those actions were to submit a revised Defense budget to Congress that fully funded the buildup; a program to reactivate four battleships and modernize frigates and destroyers, commission into the USN, four ultra-modern destroyers built in Mississippi ordered and paid for by Iran, extend the lives of four carriers through a SLEP program, re-open two aircraft production lines and increase the procurement of others.

Implementation was the next step. It was clear that long term success of the plan depended on controlling cost and building the fleet on schedule. At that time, full acquisition authority and responsibility rested with the Secretary of the Navy, the CNO and the Commandant.

We knew that affordability was the major challenge. Others believed that the task was impossible within the time frame. Yet the 600 ship Navy was nearly complete when the Soviet Union collapsed. Key to achieving this end was a clear focus on ship affordability recognizing that budgets were limited and a high/low, new/old mix of ships was necessary to satisfy military needs and required force levels.

Even with the substantially increased budget we knew that success depended upon maximum use of fixed price competition which required design stability, firm control of design changes and planned block upgrades over system life. These principles were implemented in a competitive procurement environment giving maximum incentive to contractors to lower costs rather than justify the highest costs possible in a negotiated procurement. If real competition had not used, (as it is not commonly used today,) then program completion would have been impossible. Reliance on competition also preserved and expanded the industrial base.

My first procurement action as secretary was to recruit George Sawyer, a very successful engineering CEO with extensive experience in the private sector and the Navy as a former nuclear qualified submarine officer. We then recruited Ev Pyatt, a career civil servant with top level experience in R&D, force planning and

acquisition policy. He had been Principal Deputy assistant secretary for logistics in the prior administration overseeing production and logistics. The two combined to provide the leadership necessary to get the system moving. George concentrated on activating battleships, invented the two carrier acquisition strategy and dual source annual competition in submarines and surface ships. Ev developed a plan to acquire 12 prepositioning ships for the Marines and 5 tankers. These were built with commercial specifications rather than military specifications at one fifth the cost of producing them under Defense Acquisition Regulations. Funds saved in that program were used to build additional combatant ships. They developed the plan to bring competition into the sole source cruiser program, accelerating completion and saving hundreds of millions. This also provided shipyard capacity to start the DDG-51 program originally planned for 23 ships, but the success has raised total production to over 60 ships.

Equally important in immediately improving deterrence was sending a NATO fleet of 83 ships including three carriers north to exercise in the Norwegian and Barents Seas adjacent to the Soviet Union only 7 months after the new administration was inaugurated. These exercises were then carried out annually in the Atlantic, Pacific, Mediterranean and Arctic theaters with tactics and numbers increased and improved with lessons learned each year.

At first, the Soviets were aghast at this new US Navy and NATO strategy, and then soon tried to react with increasing vigor. But as more and more ships, aircraft and technology joined the American fleet it became clear to the Soviet Navy that they could not cope. After NATO's *Ocean Safari* exercises in 1986, confounded and humiliated the Soviet air and naval defenses with US carriers now able to operate with impunity inside Norwegian fjords, the Soviet General Staff informed the Politburo that the budget of the Northern Fleet and Air Force must be trebled if they were to be able to defend the homeland. Many have seen this as the point of collapse of Soviet will. After beggaring their economy to achieve the dream of military superiority they now found themselves worse off than ever. The forward strategy and maritime supremacy that had been asserted and built since 1981, led by the President and supported by a bi-partisan Congress had been vindicated. Along with the modernization and increase in NATO land and air forces, ten years of aggressive global forward naval operations had convinced the

Soviet leadership that they could not defend their strategic assets and their homeland without impossibly large increases in spending. That fact had removed the political power of the Soviet military, and created the political opportunity for strong leaders like Gorbachev and Yeltsin to pursue *Perestroika* and *Glasnost* and to seize the opportunity to negotiate an end to the Cold War with President George Bush and his Secretary of State Jim Baker.

On December 8, 1991, The Soviet Union was dissolved and the Cold War was over. There were many factors that brought about this momentous threshold in History; the reforms and leadership of President Ronald Reagan, Margaret Thatcher and Mikhail Gorbachev, were major factors. But the fundamental shift in the naval balance and re-assertion of the power of geography was decisive and created the environment in which Western diplomacy could prevail and bring an end to the Cold War.

### **Lessons from the '80s that apply today**

One of the consequences of the US maritime program in the '80s was it gave the President (and his successors) many more options to respond to intense security crises than would have been the case if Reagan tried to conduct his foreign policy (that was aimed at upending six decades of murderous Soviet rule rather than containing it) with his two predecessors' flaccid defense program and budget.

The consequences of a quarter century of the bipartisan neglect of our defense posture had deeply eroded our ability to deter disturbers of the peace. The situation today is similar. Our adversaries actively seek to take advantage of our weakness. We are for instance currently being held at bay by one of the poorest nations on earth. The President's diplomatic power is deeply diminished by a navy stretched too thin and woefully underfunded. The President should have the option to prevent North Korea from launching any ballistic missiles that don't return to earth on its territory. He should have the option to maintain a carrier Battle Group in the Yellow Sea and Sea of Japan with a suitable number *Aegis* ships that could prevent North Korean ballistic missile launches in the boost/ascent phase.

To move rapidly to restore that essential capability to deter our enemies:

1. We must have a strategy with a strong naval component.
2. Attack the enormous bureaucratic bloat that can streamline processes and save tens of billions of dollars.
3. The procurement reforms enacted in the last two NDAA's must be implemented
4. The SecNav , CNO and Commandant must be given the authority and held accountable for Procurement execution
5. They must have firm control of all design changes in production.
6. No program should be put into production until the design is completed.
7. Fixed-price competition for production programs should be the rule.
8. Early retired frigates, cruisers and logistic ships should be re-activated with essential upgrades
9. The '80s program for build/convert and charter for non-combatant logistics ships should be re-started.

There are of course other very important issues that need to be addressed including readiness, personnel policies, zero-tolerance, political correctness, compensation, and reserves. All of them however can be resolved by good leadership.

The experience of the '80s demonstrated that 90% of the benefits from a program to restore American command of the seas and naval supremacy can be reaped immediately. Our adversaries will be forced to trim their sails. As John McCain famously said "Russia is a gas-station with an economy the size of Denmark." They know that they cannot challenge a rebuilt US Fleet with their professional but very small one-carrier Navy. The Chinese are at least a decade away from matching American naval and air capabilities, and more likely, can never do so. American diplomacy, again backed with naval and military superiority will instantly regain credibility.