

NAVAL SHIPBUILDING: QDR WON'T RESOLVE FUNDING SHORTFALL OR REQUIREMENTS FEUD

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Thank you for the opportunity to present my views on the Quadrennial Defense Review and future naval shipbuilding requirements.

The QDR will be organized around four themes...

- Prevailing in today's wars.
- Preserving the force.
- Preventing new conflicts.
- Preparing for diverse contingencies.

Within that framework, the document will focus mainly on near-term challenges, emphasizing the need to allocate more resources to so-called asymmetric threats -- both low-end threats like terrorism, and high-end threats like cyber attacks.

The goal is to balance joint capabilities for coping with conventional and unconventional aggression, an approach that poses little danger to naval shipbuilding plans since each vessel in the fleet is versatile and adaptable.

However, the current fiscal environment imposes two pressures on shipbuilding plans that the QDR will not be able to fix...

-- First, America's economy has fallen from 32% of global output at the beginning of the decade to 24% today, so we will not be able to continue generating nearly half of all the world's military outlays.

-- Second, the rising price of military pay and benefits is squeezing technology spending out of defense budgets, creating deep tensions between the Navy and Marine Corps about which ships to build.

Both of these trends portend bitter debate over shipbuilding plans in the years ahead.

I would like to spend half my time today discussing the undersea fleet, since that is where the biggest funding dilemma confronts us, and then devote the other half to examining the Navy's changing plans for the surface fleet.

Undersea Fleet

Turning to the undersea fleet, submarines are probably the only warships we can be sure will still be survivable in hostile environments at mid-century.

Aside from a handful of special-use subs, America's undersea fleet consists of two types of vessels: ballistic-missile boats that provide secure retaliatory forces to our nuclear deterrent, and fast-attack subs that collect intelligence while conducting an array of other military missions.

The quadrennial review will reaffirm the priority of the nuclear-deterrence mission, but it will also signal that the other two components of the nuclear force -- bombers and land-based missiles -- are likely to contribute less capability in the future.

So ballistic-missile submarines will become even more important in deterring nuclear attack, which has two implications...

-- First, we must be ready to replace Trident ballistic-missile subs when they begin retiring in 2027.

-- Second, the replacements must be even quieter than Tridents to assure they cannot be targeted in a surprise attack.

In other words, the Navy can't just build more Tridents -- it needs to design a better successor, and in order for the new sub to be ready on time, the six-year design process must commence in 2012.

Assuming a successful design phase, the Navy plans to begin building the lead ship in 2019, begin a second ship in 2022, and then build one ship per year from 2024 to 2033 (when the required number of twelve will be reached).

But each Trident replacement after the lead ship will cost \$5 billion, and the only way to find that kind of money in already overstretched shipbuilding accounts would be to defer other vessels.

This funding dilemma is made worse by the fact that the Navy waited too long to ramp up production of the Virginia-class attack sub, so it will be unable to prevent the attack-sub inventory from falling below the required number of 48 once the Los Angeles class begins retiring later this year.

The plan for attack subs had been to develop a Virginia successor so that something even better would be ready when the production goal of 30 boats was reached, but that can't happen while the Trident replacement is tying up design capabilities.

The Navy can manage the looming shortfall in attack subs by incrementally extending the lives of legacy subs and lengthening the tours of sailors at sea, but it will have to build two Virginias every year between 2011 and 2025 to avoid falling below 43 boats at the lowest point in 2028.

The good news is that the time and money required to build each new Virginia is falling steadily, and there is much we can do to improve the ship's already impressive performance if production is extended to 40 or more vessels -- such as adding the new launch canisters and bow sonar array that will first appear on Block III ships.

Nonetheless, we can't accommodate all this undersea design and construction work within the likely shipbuilding budget without displacing required surface vessels, and special steps will therefore be needed to fund the Trident replacement.

With ballistic-missile subs destined to become the most important part of our nuclear deterrent in the future, there is a strong case for funding the Trident replacement outside normal budget channels rather than cutting construction of other warships to cover the cost of our most important military mission.

Surface Fleet

Turning to the surface fleet, many of you have no doubt heard the hottest shipbuilding rumor spawned by the QDR process -- that the number of aircraft carriers will be cut from eleven to ten, or even nine.

It is true that we are headed down to ten in 2013 because of the time-gap between when Enterprise retires and the first Ford-class carrier joins the fleet, but that is a temporary situation.

Although the Navy could meet current warfighting requirements with one or two less carriers, a permanent cut wouldn't be prudent for two reasons...

-- First, warfighting needs are likely to change in the future.

-- Second, wartime attrition is likely to occur in the future.

So it makes little sense to cut the number of carriers to the absolute minimum currently required, and the Navy's 2011 shipbuilding plan will call for maintaining eleven flattops through 2040.

The Ford class will improve carrier performance markedly over the Nimitz class, delivering more sorties, more power and more protection while generating long-term savings by eliminating hundreds of personnel from crewing requirements.

However, the real key to future carrier viability may not reside in a new hull, but in getting better aircraft on the flight deck.

Acquiring the stealthy F-35 fighter, and then pushing ahead with the Navy's unmanned combat air vehicle, are essential steps in sustaining sea-based strike power and carrier survivability over the next few decades.

I wish I could say the story was that simple for the rest of the surface fleet.

What we see there, though, is an unsettled picture created in equal parts by lack of money and lack of agreement on requirements between the Navy and the Marine Corps.

In the case of surface combatants, the Navy is poised to abandon two of the three new classes it announced at the beginning of the decade, terminating the DDG-1000 land-attack destroyer at three vessels while rethinking the need for a CG(X) missile-defense cruiser based on the same hull.

Instead, it will build an upgraded version of the multi-role DDG-51 destroyer that it says is better suited for coping with emerging overhead and undersea threats.

I think the change in plans makes sense...

-- DDG-1000 is too expensive to populate a 300-ship fleet, and its concept of operations would require putting a valuable asset too close to enemy shores.

-- CG(X) will probably not be needed once the Aegis combat system on legacy destroyers and cruisers is upgraded, because tracking of ballistic-missile warheads can be accomplished in part by relying on off-board sensors such as the new Space Tracking and Surveillance Satellite.

The Marine Corps does not share the Navy view that there will be sufficient surface fires in the planned fleet to support expeditionary forces ashore, but by putting more money into Aegis warships, the Navy will assure that U.S. and allied forces are well defended against emerging ballistic threats while also addressing other challenges like diesel-electric submarines.

The third new combatant announced early in the decade, the Littoral Combat Ship, is essential to expanding fleet numbers above 300, but the Navy has decided for budget reasons to down-select to a single design.

That step really was necessary given the high cost of building, operating and upgrading two ship classes; I predict that if the winning team does a good job of building its ship, the service will elect to save more money by sticking with only one source.

As for the amphibious warfare fleet, that part of the force posture looks likely to be a focus of controversy for years to come.

The Navy and Marine Corps have parted ways on the need for 38 amphibious warships, and as a result the Marines are lobbying the Congress to fund vessels not included in the 2011 shipbuilding plan.

Personally, I agree with the position Chairman Taylor expressed last year that we should fund serial production of new amphibious assault and transport ships to provide the core of a future sea base and replace aging vessels, but that does not seem to be where the Navy wants to go.

Secretary Gates has foreshadowed the possibility that reductions in amphibious-warfare capabilities may emerge from the QDR, but Congress will want to scrutinize the reasoning closely before abandoning the Marine requirement for 38 amphibs.

Having exhausted my time, I will close by observing that even if we kill DDG-1000 and cut back amphibious capabilities, the nation's naval shipbuilding requirements are not likely to fit within projected budgets.

We therefore need to have a discussion about how important nuclear deterrence is to national survival, and fund the submarines supporting that mission in a manner that does not hobble other sea-service missions.