

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICE COMMITTEE
SUBCOMMITTEE ON PROJECTION FORCES

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BEFORE THE

SUBCOMMITTEE ON PROJECTION FORCES

OF THE

HOUSE ARMED SERVICES COMMITTEE ON
FISCAL YEAR 2007 NAVY FORCE STRUCTURE

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INTRODUCTION

Mr. Chairman, distinguished members of the Projection Forces Subcommittee, thank you for this opportunity to appear before you to discuss the Navy's Fiscal Year 2007 Force Structure Requirements.

CURRENT OPERATIONS

We are a Nation at war. Today your Navy is postured worldwide, fighting the war on terror, deterring aggression by would-be foes, preserving freedom of the seas and promoting peace and security. While numbers vary with daily operations, as of 27 February 2006, 143 ships are underway (51%) of which 94 (33%) are forward deployed. Navy has 4,959 reserves currently mobilized.

There are over 10,000 Sailors serving ashore throughout the CENTCOM AOR including more than 4,000 in Iraq, and an additional 2,600 in Kuwait, that includes SEALs, Seabees, Military Policemen, Explosive Ordnance Disposal, medical, intelligence, and civil affairs support personnel. Navy Carrier and Expeditionary Strike Groups continue to deploy in support of the Global War on Terrorism (GWOT) and conduct combat operations in Iraq and Afghanistan, along with Humanitarian Assistance/Disaster Relief missions such as tsunami relief and Pakistani earthquake.

At the same time, our Nation took advantage of the immediate access provided by Naval forces to bring time-critical assistance to Hurricane Katrina and Rita victims in the Gulf Coast States. Twenty-three ships provided command and control, evacuation, and humanitarian support to military and civilian personnel in affected regions. Additionally, 104 Naval aircraft flew 1,103 sorties in support of search and rescue and other humanitarian assistance missions. These efforts resulted in the safe evacuation of 8,518 personnel and the rescue of an additional 1,582 people isolated by the disasters. In the weeks that followed, naval relief efforts provided a total of approximately 2.5 million pounds of food and water to people most severely affected by the disaster.

SAILORS

The men and women of the United States Navy – active, reserve and civilian, are the lifeblood and heart of the Service. They are the best, most talented and capable team of professionals the Nation has ever assembled. Navy active strength totals 357,444 and reserves have 74,632 total. Our Sailors believe in what they are doing and they are performing superbly in very challenging circumstances. From Iraq and Afghanistan to our Humanitarian Relief efforts, I am very proud of what they are doing to win the war and support our nation and friends in time of need. They are smarter and better trained than at any time in our history. Your continued and generous support of our Sailors has provided a force second to none in the world.

The Fiscal Year 2007 Budget request maximizes our Nation's return on its investment by positioning us to meet today's challenges -- from peacekeeping/stability operations to GWOT operations and small-scale contingencies -- and by transforming the force for future challenges.

FUTURE NAVY FORCE STRUCTURE

The Navy of the future must be capabilities-based and threat-oriented. The United States needs an agile, adaptable, persistent, lethal, surge-ready force. The Navy must seek to identify the proper strategic balance of capabilities to ensure we have the agility, speed, flexibility and lethality to respond to any threat from any adversary, whether that threat is conventional or asymmetric in nature. Through agility and persistence, our Navy must be poised for the "close-in knife fight" that is the GWOT, able to act immediately against a fleeting target. The challenge is to simultaneously "set the conditions" for a Major Combat Operation (MCO) while continuing to fight the GWOT, with the understanding that the capabilities required for the GWOT cannot necessarily be assumed to be a lesser-included case of an MCO. Our force must be the right mix of capabilities that balances persistence and agility with power and speed in order to fight the GWOT while being prepared to win an MCO. To do so, it must be properly postured in terms of greater operational availability from platforms that are much more capable as a distributed, networked force. While the fabric of our fighting force will still be the power and speed needed to seize the initiative and swiftly defeat any regional threat, FORCEnet's pervasive awareness via C4ISR will enable us to achieve essential effects with less mass. Because of its access from the sea, the Navy and Marine Corps are focusing significant effort and analysis in support of

joint combat power projection by leveraging the maneuver space of the oceans through Seabasing.

SEABASING – A NATIONAL CAPABILITY

The Naval Power 21 vision defines the capabilities that the 21st Century Navy and Marine Corps Team will deliver. Our overarching transformational operating concept is Sea Basing; a national capability, for projecting and sustaining naval power and joint forces that assures joint access by leveraging the operational maneuver of sovereign, distributed, and networked forces operating globally from the sea. Seabasing unifies our capabilities for projecting offensive power, defensive power, command and control, mobility and sustainment around the world. It will enable commanders to generate high tempo operational maneuver by making use of the sea as a means of gaining and maintaining advantage.

Seabasing represents a complex capability, a system-of-systems able to move at will. Seabasing, enabled by joint integrated and operational concepts, is the employment of ships and vessels with organic strike fires and defensive shields of sensors and weapons, strike and transport aircraft, communications and logistics. We will use the sea as maneuver space to create uncertainty for adversaries and protect the Joint force while receiving, staging and integrating scalable forces, at sea, that are capable of a broad range of missions. Its inherent freedom of movement, appropriate scalability, and sustainable persistent power provides full spectrum capabilities, from support of theater engagement strategies, to rapid response to natural or man made disasters, to military combat operations from raids, to swift defeat of enemies, to scale of major combat and

decisive operations. The Seabased Navy will be distributed, netted, immediately employable and rapidly deployable, greatly increasing its operational availability through innovative concepts such as, the Fleet Response Plan and Sea Swap. At the same time, innovative transformational platforms under development such as MPF(F), LHA(R) and High-Speed Connectors, will be instrumental to the Sea Base.

The Fleet Response Plan is the maintenance, training, and operational framework through which the Navy meets global Combatant Commander demand signals for traditional (e.g., GWOT, major combat operations, humanitarian assistance/disaster relief, shaping and stability operations, counter piracy, etc.) and emerging mission sets (e.g., riverine warfare, NECC, medical outreach). The Fleet Response Plan is mission-driven, capabilities-based, and provides the right readiness at the right time (within fiscal constraints). It enables responsive and dependable forward presence. With the Fleet Response Plan we can deploy a more agile, flexible and scalable naval force capable of surging quickly to deal with unexpected threats, humanitarian disasters, and contingency operations. Sea Swap is an initiative designed to keep a single hull continuously deployed in a given theater, replacing the entire crew at six-months intervals. The primary objective is to effectively and efficiently increase forward Naval presence without increasing operating cost.

SEAPOWER 21

We developed the Sea Power 21 vision in support of our National Military Strategy. The objective of Sea Power 21 is to ensure this nation possesses credible combat capability on scene to promote regional stability, to deter aggression throughout the world, to assure the access of

Joint forces and to fight and win should deterrence fail. Sea Power 21 guides the Navy's transformation from a threat-based platform centric structure to a capabilities-based, fully integrated force. The pillars of Sea Power 21 -- Sea Strike, Sea Shield, and Sea Basing -- are integrated by FORCEnet. Sea Power 21 is structured by four pillars:

Sea Strike is the projection of precise and persistent offensive power. It leverages persistence, precision, stealth, and new force packaging concepts to increase operational tempo and reach. It includes strikes by air, missiles, and long-range gunfires.

Sea Shield is the projection of layered defensive power. It seeks maritime superiority to assure access, and to project defense overland.

Sea Basing is the projection of operational independence. It provides the Joint Force Commander the ability to exploit Expeditionary Maneuver Warfare, and the capability to retain command and control and logistics at mobile, secure locations at sea.

FORCEnet is the means by which the power of sensors, networks, weapons, warriors and platforms are harnessed in a networked combat force.

This networked force will provide the strategic agility and persistence necessary to prevail in the continuing GWOT, as well as the speed and overwhelming power to seize the initiative and swiftly defeat any regional peer competitor in Major Combat Operations (MCO). Extending FORCEnet to our allies and partners in the form of Multinational Information Sharing Networks will represent an unprecedented level of interoperability for both GWOT and MCO. The immeasurable advantage of this effort is the effective association of a "1000-ship Navy" built from our own core capabilities combined with the coordinated efforts of our allies and partners in today's challenging global environment.

FISCAL YEAR 2006 QUADRENNIAL DEFENSE REVIEW (QDR 06)

The fiscal and temporal realities associated with the design and development of modern, sophisticated weapons systems requires a significantly different approach to procurement and operation of our forces and resources. It is this dynamic that is propelling the Navy forward in the transformational arena. As recognized in the Quadrennial Defense Review, the size and capabilities of our force are driven by the challenges we will face. The capacity of the force is determined by its global posture in peacetime and the requirement to respond from this posture, as well as to surge, in crisis. In the case of our Navy, it is based upon the need for a ubiquitous but carefully tailored maritime presence that can provide the President and our allies with strategic options in support of dynamic security requirements. *QDR 06* developed guidance to achieve the national defense and national military strategies and shaping the future force to improve capabilities and expand capacity to address four priorities:

- Defeat Terrorist Extremists
- Defending the Homeland in Depth
- Shaping the Choices of Countries at Strategic Crossroads
- Preventing Hostile State and Non-state Actors from Acquiring or Using Weapons of Mass Destruction (WMD)

QDR 06 sets a twenty-year course for the Department of Defense and provides an opportunity to continue to reshape the U.S. armed forces to meet current and emerging security responsibilities. The *QDR 06* construct places new emphasis on the unique operational demands associated with

homeland defense and the GWOT, shifts focus from optimizing for conflicts in two particular regions to building a portfolio of capabilities with global reach and serves as a bridge from today's threat-based force to a future capabilities-based transformational force.

FORCE STRUCTURE

Force structure requirements were developed and validated through detailed joint campaign and mission level analysis, optimized through innovative sourcing initiatives (Fleet Response Plan (FRP), Sea Swap, forward posturing) that increase platform operational availability, and balanced with shipbuilding industrial base requirements. This force structure was developed using a capabilities-based approach measured against the anticipated threats for the Fiscal Year 2020 timeframe.

The future Navy will remain sea based, with global speed and persistence provided by forward deployed forces, supplemented by rapidly deployable forces through the FRP. To maximize return on investment, the Navy that fights the GWOT and executes Maritime Security Operations will be complementary to the Navy required to fight and win in any Major Combat Operation (MCO). This capabilities-based, threat-oriented Navy can be disaggregated and distributed world wide to support Combatant Commander GWOT demands. The resulting distributed and netted force, working in conjunction with our joint and maritime partners, will provide both actionable intelligence through persistent, Maritime Domain Awareness, and the ability to take action where and when a threat is identified. The same force can be rapidly aggregated to provide the strength needed to defeat any potential adversary in an MCO. The warships

represented by this shipbuilding plan, along with the naval aircraft programmed in Fiscal Year 2007 President's budget, will sustain operations in forward areas longer, be able to respond more quickly to emerging contingencies, and generate more sorties and simultaneous attacks against greater numbers of multiple targets and with greater effect than our current fleet.

Employing a capabilities-based approach to calculate the size and composition of the future force required to meet expected Joint Force demands in peace and in the most stressing construct of the Defense Planning Guidance, along with detailed assessments of risk associated with affordability and instabilities in the industrial base, the analysis concluded that a Fleet of about 313 ships is the minimum force necessary to meet all the demands, and to pace the most advanced technological challengers well into the future, with an acceptable level of risk.

Our Force Structure Strategy is balanced between New Construction and Modernization for ships, and Recapitalization and Sustainment for aircraft. It is critical to our strategy for us to have a vigorous modernization and sustainment programs to achieve the expected service life of our ships and aircraft in the face of rapidly escalating global threats using advanced technologies. Modernization and sustainment gets the most out of our capital investments.

During the last year, the Chief of Naval Operations established a focused effort to clearly define naval force structure requirements. The Navy recently submitted to Congress its 2007 Annual Long Range Plan for Construction of Naval Vessels. This plan begins our movement toward a more balanced force that meets the future national security requirements outlined in *QDR 06* with acceptable risk and is designed to replenish the fleet, while stabilizing workload and

funding requirements. As this 30 year shipbuilding plan evolves over the next year, it will produce an investment plan that is both executable and affordable based on balancing several factors: naval force operational capability; risk; and, the ability of the shipbuilding industrial base to execute the plan.

This year the Chief of Naval Operations continues to define naval force structure requirements with a detailed review of naval aviation, in the same manner as the shipbuilding force structure requirements were established. This effort will define a naval aviation force structure which will meet the requirements outlined in *QDR 06* with acceptable risk, is balanced with the 313 ship-plan, and stabilizes the industrial base.

SHIPBUILDING (30-YEAR NAVAL FORCE SIZE)

The 30-year shipbuilding plan and the resulting ship inventory, as outlined in the Fiscal Year 2007 Annual Long-Range Plan for Construction of Naval Vessels, represent the baseline as reflected in the 2007 President's Budget submission. There will be subsequent studies and analysis that will continue to balance affordability with capability and industrial base capacity. As part of the Program Objective Memorandum 2008 (POM 08) development process, the Navy will be exploring alternative approaches to attaining the future force structure and ship mix while retaining the necessary capabilities for Joint Force operations. Overall, this plan reflects the Navy's commitment to stabilize the demand signal to the industrial base while still achieving the appropriate balance of affordability and capability in all ship classes. Also, although there is risk

with this plan, and not a lot of excess capacity to accommodate the unforeseen, we believe the risk is both moderate and manageable. Areas of special interest include:

Carriers

Eleven aircraft carriers and their associated air wings are sufficient to ensure our ability to provide coverage in any foreseeable contingency and do so with meaningful, persistent combat power. While the Navy requirement for Carriers remains a minimum of 11 operational vessels, past delays in beginning the CVN-21 program will result in the Navy having only 10 operational Carriers in Fiscal Year 2013 and Fiscal Year 2014. This anomaly will require operational management of the remaining carrier fleet to mitigate the impact of this shortfall in Carrier force level.

Attack Submarines

Despite the fact that the total SSN numbers drop below 48 between 2020 and 2033, our fast attack submarines will provide the necessary presence throughout their respective areas of operation and will be sufficient to sustain the minimum required deployed presence needed for major combat operations. Navy is pursuing a number of cost reduction initiatives intended to lower SSN 774 acquisition costs to \$2.0 billion (Fiscal Year 2005 dollars) at a stable build rate of two-per-year commencing with Fiscal Year 2012 as cited in *QDR 06*.

Expeditionary

Our Expeditionary capability provides the Joint Forcible Entry capacity necessary to support the sea base as a lodgment point for Joint operations but represents an acceptable decrease in Marine

Expeditionary Brigade lift capacity. Myriad tactical, surveillance and reconnaissance, heavy lift, and support aircraft, as well as a variety of support ships, provide the Navy with sufficient capacity in each mission area.

A stable shipbuilding industry is essential to sustain minimum employment levels and retain critical skills to meet our requirements for an affordable and capable force structure. We must align the industrial base for long-term force development through advanced procurement and incentivized cost savings. We must build ships more efficiently, cost effectively, and quickly. To do this, we are committed to help provide stability in the shipbuilding plan and rigorously control requirements. Costs and production schedules must be kept within contractual limits. Industry must be viewed as a trusted partner while we provide a stable baseline upon which to plan.

The Navy continues to analyze operational requirements, ship designs and costs, acquisition plans and tools and industrial base capacity to further improve its shipbuilding plan. Full funding and support for execution of this plan is crucial to transforming the U.S. Navy to a force tuned to the 21st Century and its evolving requirements.

2007 PRESIDENT'S BUDGET SHIPBUILDING PROGRAMS

There has been considerable activity within shipbuilding over the last year. Currently, there are 37 Naval ships under construction in the United States: 1 CVN, 13 DDGs, 1 LHD, 4 LPDs, 9 T-AKES , 2 Littoral Combat Ships (LCS) and 7 VIRGINIA Class submarines. Three additional LPDs have ongoing contract negotiations. In 2005. the Department delivered the lead ship for

our newest class of Amphibious Transport Dock Ships, USS SAN ANTONIO, (LPD 17), initiating a new era of amphibious assault capabilities that are aligned to the littoral regions. In January 2006, the Navy commissioned LPD 17. The Navy also commissioned three DDGs in Calendar Year 2005. We laid the keel for the 8th ship of the LHD Class and the second LEWIS & CLARK Auxiliary Dry Cargo & Ammunition ship (T-AKE), launched the lead ship T-AKE and commenced construction of the seventh VIRGINIA Class submarine. The Navy completed the Engineered Refueling Overhaul (ERO) and conversion of the USS OHIO (SSGN 726), the first SSGN, and redelivered the submarine to the fleet in December 2005. In March 2005, we also completed the Refueling Complex Overhaul (RCOH) of CVN 69.

Fiscal Year 2007 will see the Navy's previous Research and Development efforts begin to bear fruit. The first increment of procurement of the two lead-DD(X) destroyers has been requested. Follow-on Littoral Combat Ships are programmed that will accelerate the Navy's capability to defeat anti-access threats close to shore. Transformation is most apparent in Fiscal Year 2007 where new construction increases to seven ships from the four in the President's Fiscal Year 2006 Budget request. The total number of new ships procured over the Future Years Defense Program is 51, averaging 10 ships per year including DD(X), CG(X), LCS, T-AKE, VIRGINIA Class SSN, CVN 21, MPF(F), LPD 17, JHSV, and LHA(R). Our Fiscal Year 2007 Budget request calls for construction of seven ships: two DD(X) destroyers, one VIRGINIA Class submarine; one LEWIS & CLARK (T-AKE) Class Auxiliary Dry Cargo & Ammunition ship; the LHA 6 Amphibious Assault Ship; and two LCS. In addition, we have requested funding for advance procurement of the tenth and eleventh VIRGINIA Class submarines, advance procurement of long lead material for the ninth SAN ANTONIO Class Amphibious Transport

Dock ship, advance procurement for CVN 21 construction, the second increment of CVN 70 refueling complex overhaul (RCOH) funding, advance procurement for CVN 71 RCOH, ERO of an SSBN, funding for TICONDEROGA Class cruiser and ARLEIGH BURKE Class destroyer modernization, and the service life extension for six Landing Craft Air Cushion (LCAC) vessels.

2007 PRESIDENT'S BUDGET NAVAL AVIATION PROGRAMS

The Fiscal Year 2007 President's Budget procurement plan stresses recapitalization and achieves significant advances in critical warfighting capability while continuing the transition from a "platform-centric" approach. Fiscal Year 2007 President's Budget improved critical warfighting capability while lowering operation and support cost. Fiscal Year 2007 President's Budget lays out \$63.0 billion in APN 1-4 for the procurement of 1,135 aircraft in the Future Years Defense Program (FY07-FY11). There is \$8.0 billion for 165 aircraft in Fiscal Year 2007.

The Fiscal Year 2007 President's Budget produces financial efficiencies through TACAIR Integration, Active-Reserve Integration, and Helo ConOps. These programs along with the pursuit of Multi-Year Procurement contracts for MH-60S, MH-60R, and MV-22 will continue to produce efficiencies that aid in divestment from legacy airframes and consolidation of facilities.

Fiscal Year 2007 will see the procurement of 109 DoN Joint Strike Fighter (JSF) aircraft in the Future Years Defense Program. Marine Corps initial operating capability (IOC) remains Fiscal Year 2012 while Air Force and Navy IOCs remain Fiscal Year 2013. In Fiscal Year 2007 the F/A-18E/F program will be in its third year of procuring 210 aircraft through multi-year procurement buy, and remains on cost and ahead of schedule. The Multi-Mission Maritime

Aircraft (MMA) program will procure the first P-8A in FY 2010 with an eye towards transitioning the MPRA community between Fiscal Years 2013 and 2019. The procurement strategy for UH-1Y aircraft is now new-build aircraft versus remanufacture. This eliminates the need to remove aircraft from OIF/OEF for remanufacture. USMC Heavy Lift Replacement (HLR/CH-53K) program is fully funded for Fiscal Year 2015 IOC.

Fiscal Year 2007 President's Budget plans for \$24.7 billion Future Years Defense Program with \$6.3 billion in Fiscal Year 2007 for naval aviation research and development. These funds ensure future naval aviation transformation and recapitalization. Broad Area Maritime Surveillance (BAMS) Unmanned Aircraft System (UAS) is funded for technical risk reduction activities and Milestone B documentation preparation through Fiscal Year 2007; IOC is planned for FY 2013. E-2D is currently in System Design and Development with Milestone C in Fiscal Year 2009 and IOC in Fiscal Year 2011. Fire Scout is currently in Engineering and Manufacturing Development (EMD). Fiscal Year 2007 President's Budget implements and funds a strategy that retires Navy EA-6Bs and replaces them with EA-18G.

Army announced Lockheed-Martin ACS contract termination 12 January 2006. FY 2007 President's Budget Funding sustains EP-3 until a replacement capability is fielded. Army and Navy, in coordination with Air Force, are co-leading an OSD-directed ISR gap analysis study.

SUMMARY

Our mission remains bringing the fight to our enemies. The increasing dependence of our world on the seas, coupled with growing uncertainty of other nations' ability or desire to ensure access

in a future conflict, will continue to drive the need for Naval forces and the capability to project decisive joint power by access through the seas. The increased emphasis on the littorals and the global nature of the terrorist threat will demand the ability to strike where and when required, with the maritime domain serving as the key enabler for U.S. military force.

Accordingly, we will execute the GWOT while transforming for the future fight. We will continue to refine our operational concepts and appropriate technology investments to deliver the kind of dominant military power from the sea envisioned in Sea Power 21. We will continue to pursue the operational concepts for seabasing persistent combat power, even as we invest in technology and systems to enable Naval vessels to deliver decisive, effects-based combat power in every tactical and operational dimension. We look forward to a future that continues the strong partnership with Congress that has brought the Navy many successes today. We thank you for your consideration.