

Testimony before the House Seapower and Projection Forces  
Subcommittee by John Lehman, February 26<sup>th</sup>, 2013

Mr. Chairman it is a special honor for me to appear today before this historic committee of Congress. In my six years as SecNav I spent hundreds of hours testifying and consulting with Chairman Charlie Bennet and the bi-partisan membership. They were truly equal partners with the Reagan Administration in building the 600 ship Navy and a rejuvenated Marine Corps.

Perhaps the greatest among its many accomplishments was the role of the Committee ( then a full committee titled The Naval Affairs Committee) and its legendary chairman, Carl Vinson, in first persuading and then partnering with President Franklin Roosevelt in urgently rebuilding the US Navy through the shipbuilding acts of 1934, 1936, 1938, and 1940. Those bills authorized every new capital ship that fought to victory in WWII. Without that Robust leadership of this committee, we could not have won the war.

It is with that historic perspective that the Committee should approach its current task.

The current administration has called for a 300-ship Navy, up from the current 286. It is their belief that such a number at half the size of the Reagan Navy, is sufficient for our security on the grounds that newer ships are better than the ones they replace.

While that is true in some cases, such as submarines, it is not true for other ships such as the new LCS (littoral combat ship), which does not have the capability of the older frigates that they replace. Moreover, our potential adversaries, from North Korea to the Iranian Navy, have improved their technology as well.

But most important, numbers still count: The seas are great and our Navy is small. The administrations position that "the United States Navy will be everywhere in the world that it has been, and it will be as much [present] as the 600-ship navy" is not persuasive.

The size of the Navy in the Reagan administration (it reached 594 ships in 1987) reflected a strategy to deter the Soviet Union's world-wide naval force. Today we face no such powerful naval adversary, but the world is just as large, and there is now greater American dependence on global trade and many more disturbers of the peace.

While we do not need 600 ships today, no naval experts believe a 300-ship Navy is large enough to guarantee freedom of the seas for American and allied trade, for supporting threatened allies, for deterring rogue states like Iran from closing vital straits, and for maintaining stability in areas like the western Pacific. For example, the bipartisan Quadrennial Defense Review Independent Panel led by Stephen Hadley and William Perry last year concluded that the Navy should have at least 346 vessels.

The more troubling problem is that the administration goal of 300 is counting ships that won't be built at all. Last year, the president's budget called for cuts of \$487 billion over the next decade. The President's proposal for the sequester would mean an additional half-trillion dollars in mandatory defense reductions over the next decade.

Naval readiness is already highly fragile. In order to meet current operational requirements, the shrunken fleet stays deployed longer and gets repaired less. There is now a serious shortage of Navy combat aircraft, and for the first time since World War II there are essentially no combat attrition reserves. But the biggest effects of budget cuts will be on drastically curtailing naval operations now and naval shipbuilding for the future.

The Navy has cancelled the deployment of one carrier strike group, halving our deterrence in the Mid-East, and the CNO has testified that even more drastic cuts to deployments will immediately result when sequester takes effect. This is the correct policy by Navy leadership. The Navy cannot do more with less, they can only do less with less.

Currently the Navy has 286 ships. In order to pay for even drastically reduced current operations, the Administration will be retiring a score or more of modern combat ships (cruisers and amphibious vessels and

frigates) well before their useful life. In order to reach a 350-ship fleet in our lifetime, we would need to increase shipbuilding to an average of 15 ships every year. The latest budget the administration has advanced proposes buying just 41 ships over five years. It is anything but certain that the administration's budgets will sustain even that rate of only eight ships per year, but even if they do, the United States is headed for a Navy of 240-250 ships at best.

So how is the Obama administration getting to a 300-ship Navy? It projects a huge increase in naval shipbuilding beginning years down the road, most of which would come after a second Obama term. In other words, the administration is radically cutting the size and strength of the Navy now, while trying to avoid accountability by assuming that a future president will find the means to fix the problem in the future.

This compromises our national security. The Navy is the foundation of America's economic and political presence in the world. Other nations, like China, Russia, North Korea and Iran, are watching what we do—and on the basis of the evidence, they are undoubtedly concluding that America is declining in power and resolution. Russia and China have each embarked on ambitious and enormously expensive naval buildups with weapons designed specifically against American carriers and submarines.

#### WHAT SHOULD THE COMMITTEE DO?

I urge the committee to step up to the challenge of the current crisis just as its former leader Carl Vinson did. That does not just mean adding money and ships to the Administration's request. It means instead providing a new framework of debate based on a sound and simple strategy just as Vinson did. It means focusing the Debate on those key issues where legislation can be determinant.

The current fiscal crisis should be harnessed as a catalyst to enable the undertaking of deep changes.

The two highest priorities for the Committee should be fundamentally changing the disastrous systemic dysfunction of the DoD procurement process, and completely re-setting the military compensation system.

## PROCUREMENT

The Department of Defense acquisition process is seriously broken. Under the current system, it takes decades, not years, to develop and field weapons systems. Even worse, an increasing number of acquisition programs are plagued by cost over runs, schedule slips and failures to perform. The many horror stories like the F-35, the Air Force tanker scandal, the Navy shipbuilding failures and the Army armor disasters are only the visible tip of an iceberg. The major cause has been unbridled bureaucratic bloat (e.g. 690,000 DoD civilians, 250 uniformed Joint task forces) resulting in complete loss of line authority and accountability. As the House Armed Services Committee formally concluded:

*“Simply put, the Department of Defense acquisition process is broken. The ability of the Department to conduct the large scale acquisitions required to ensure our future national security is a concern of the committee. The rising costs and lengthening schedules of major defense acquisition programs lead to more expensive platforms fielded with fewer numbers.*

That is, of course, an understatement. We are really engaged in a form of unilateral disarmament through runaway costs. Unless the acquisition system is fixed it will soon be impossible to maintain a military of sufficient size and sophistication with which to secure our liberties and protect the national interest. The solution is clear and achievable.

## MILITARY COMPENSATION

Just as entitlements are steadily squeezing out discretionary spending in the Federal budget, personnel costs in the Pentagon are squeezing out operations and modernization. There has not been a comprehensive overhaul of military compensation, retirement, and medical care since the original Gates Commission during the Nixon Administration. It is long overdue. Over the last several years the Pentagon has done the difficult

work through the Defense Business Board to establish the hard facts necessary to undertake such an effort. The Independent QDR panel two years ago recommended the establishment of a bi-partisan commission to undertake the task and report to Congress and the President. Now is the time to act on that recommendation.

## SUMMARY

This committee has an historic constitutional responsibility, and in the present fiscal crisis a unique opportunity to put our Navy back on the proper course to secure our future security. The Committee can't do everything and must concentrate its efforts on the highest priorities where its unique power can be decisive. I urge you to do so.