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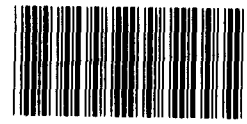

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STATEMENT OF

FRANK C. CONAHAN

DIRECTOR, NATIONAL SECURITY AND INTERNATIONAL

AFFAIRS DIVISION

BEFORE THE

COMMITTEE ON ARMED SERVICES, SUBCOMMITTEE ON SEAPOWER AND

STRATEGIC AND CRITICAL MATERIALS

HOUSE OF REPRESENTATIVES

ON

THE NAVY'S FLEET EXPANSION

Mr. Chairman, Members of the Subcommittee, thank you for asking me to appear before you today. My remarks are unclassified.

The Navy's ability to effectively plan and manage its fleet expansion program is of keen interest to all of us. As a result, we are assessing the Navy's ability to implement its fleet expansion program and the effect this program will have on overall U.S. Naval capabilities. Our objectives are to address the following questions:

--Will the Navy's planned fleet expansion result in the force mix the Navy requires to fulfill its commitments?

--Do Navy plans adequately consider the costs of fleet expansion with regard to future Navy and DOD budgets?

--What are the impacts of fleet expansion on the readiness and sustainability of the existing fleet, recognizing that it is being expanded?

--Will the Navy be able to recruit, retain, and train the people needed to man the expanded fleet?

Over the next few years we plan to provide the Congress with information with which to make more informed decisions concerning the future effectiveness and budgetary impacts of the Navy's fleet expansion program.

Today I am prepared to discuss observations we have developed on the basis of work done to date. Specifically, I will address:

--the Navy's ability to reach its 600-ship force goal;

--operating and support aspects of the expanded fleet; and

--areas in which decisions will have to be made concerning the optimum use of available resources.

Let me begin with our study of the Navy's selection of ships for the expanded fleet. In this study, we are looking only at the Navy's general purpose forces even though strategic forces are part of the 600-ship Navy.

The "600-ship Navy" is the Navy's shorthand way of expressing a force requirement for:

--15 deployable aircraft carriers and their associated air wings;

--4 battleships;

--238 surface combatants (frigates, destroyers, and cruisers);

--100 attack submarines;

--amphibious ships to lift 50,000 marines and their equipment;

--31 mine countermeasure ships; and

--sufficient numbers of support ships.

The number "600" is a misnomer because a ship count of about 600 will fluctuate depending on ship retirements and the timeliness and capability of ships entering the fleet.

By the end of fiscal year 1985, the Navy will have 541 ships in the fleet and 75 new ships under contract. Although the Navy will numerically reach a 600-ship force by 1989, it will not

achieve the desired force mix in that year. For example, the Navy will not have the number of amphibious ships needed to lift 50,000 marines and their equipment. The Navy's goal is to achieve this capability by the year 1994.

Our analysis of the Navy's future shipbuilding plans indicates the Navy will not achieve its desired 600-ship force mix through the year 2000.

We recognize that out-year plans are seldom fully realized. Nevertheless, using the Navy's current out-year plans, we wanted to determine the likelihood of those plans ever being realized; what effect any shortfalls would have; the cost implications of the shortfalls; and what alternatives are available to cope with the shortfalls. We based our analysis essentially on the centerpieces of the 600-ship Navy, namely, the 15 aircraft carriers. We did not attempt to validate the requirements for the carriers nor any of the other elements of the 600-ship Navy.

By comparing Navy's five year plans with actual force levels achieved over the past 20 years, we developed factors to estimate future general purpose force levels in the Navy's official 600-ship count. We first applied these factors to the Navy's fiscal year 1986 program plan for fiscal years 1986 through 2000. After adjustments reflecting the status of current Navy programs, our analysis shows that increasing shortfalls can be expected. Specifically, by the end of fiscal year 1990, Navy's actual force level would contain 3 percent fewer ships than the Navy is currently programming. This would grow to 5 percent in 1995 and 7

percent in the year 2000. Shortfalls would occur in most categories of ships, but the largest deviations would be in surface combatants and attack submarines. This part of our analysis only addresses numerical shortfalls against Navy's program plan.

One cannot fully assess the status of the 600-ship Navy without addressing capabilities of the ships in the fleet. In the second part of our analysis we have attempted to identify what total force capability shortfalls may occur by the years 1990, 1995, and 2000. Using approved Navy criteria such as the Surface Ship Combat Systems Master Plan, and with assistance from the Chief of Naval Operations staff, we developed notional[1] configurations encompassing the requirements, missions, and capabilities for the following categories or groups of ships:

--surface combatants (frigates, destroyers, and cruisers);

--attack submarines;

--amphibious warfare ships;

--mobile logistics ships (station ships, oilers, stores, and ammunition ships);

--material and fleet support ships (rescue, salvage, repair, and ocean surveillance ships, and tenders); and

--mine warfare ships.

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[1]A theoretical or average ship of any one category of ship or group of ships used for planning purposes.

Next, to identify potential capability shortfalls, we applied the forces that may be available, based on the Navy's program plan and GAO's force estimates, to the notional force configurations. In doing this, we took into account the effect of the new more capable multimission CG-47 class ships--compared to such ships as the DDG-2, DDG-37, and CG-26 that are in the fleet today. While we are still working with the Navy on this matter, in general, our indications are that some capability shortfalls do exist and will remain through the year 2000. For example, current force projections indicate that the surface combatant and amphibious lift capability shortfalls will continue on through the year 2000. The specific results of this analysis are classified.

We are now in the final phases of our study and are in the process of ascertaining the effects of the various shortfalls through discussions with personnel at the CNO and operational fleet command levels and plan to develop the effects that come from having less than desired force levels and mix. Likewise, we will continue our efforts to determine the cost implications and to identify and evaluate alternatives.

Of equal importance to the acquisition of the ships needed to provide a balanced force is the ability to support and sustain that force. Support and sustenance includes ordnance, spare parts, facilities, operating tempo, ship maintenance, and aircraft maintenance and flying hours. (We have not yet begun the work necessary to comment on the manpower issues relating to the 600-ship Navy.)

In this study we plan to use Navy data and estimates to identify past, present, and future operating and support levels. We also intend to identify projected cost implications on fleet readiness and sustainability.

We are attempting to establish a baseline for operating and support levels using the current fleet, its current operating levels, and the projected levels to bring that fleet up to varying increments of readiness and sustainability. By doing this we can project, considering inflation and other economic aspects, the various levels of funding that may be needed to maintain the 600-ship Navy. Like the assignment on the selection of ships, we plan to show some of the limitations facing the Navy, the effects of those limitations, associated cost implications, and alternatives that may be available to overcome or better manage the limitations.

Throughout the course of this study we are working closely with Navy officials and they have claimed that operating and support funding since fiscal year 1981 has improved Navy readiness. Nevertheless, indications are that readiness and sustainability questions exist in such areas as spare parts, ordnance, and ship maintenance. As the fleet expands, the limitations within these and other operating and support areas could be aggravated.

Navy officials state that spare parts used to maintain fleet

readiness were adequately funded over the last 2 years. We have not yet completed our work in this area. We have noted, however, that through the middle of fiscal year 1985 the availability of ship material spares has achieved a rate of about 77 percent against a Navy goal of 85 percent. Navy officials did state that war reserves are below prescribed levels. The Navy, however, has a plan to acquire more spare parts.

Navy ordnance ranges from sophisticated missiles to small arms ammunition. Fleet officials have told us that ordnance levels are low and that certain types of ordnance only go to deploying ships when available. Cross-decking is often necessary to ensure that a deploying ship has an adequate load of ordnance. Fleet officials said that when certain ordnance levels are low, ships deploy with less than their prescribed loads.

Ship maintenance is a continuous process ranging from that performed by the ship's force to overhauls, and service life extension programs. Fleet officials are concerned with the Navy's decision this year to extend the maintenance cycle of some surface combatants. Likewise, they feel this decision was made without their input and without supporting engineering studies that assess the feasibility of such extensions. They also question how these extensions will affect such things as the fleet modernization program. CNO officials have stated that studies will be done and that only older classes of combatants will have an extended time period between scheduled maintenance periods.

Other operating and support concerns addressed by fleet officials are:

--reduced training for shore based carrier forces to fund requirements for deployed forces; and

--a large backlog in real property maintenance activities.

As noted earlier, most of the operating and support issues raised today are observations we have developed based on our work to date. We will continue to develop these issues.

Mr. Chairman, Members of the Subcommittee, this concludes my prepared remarks. I will be happy to answer your questions.