Backgrounder

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U.S. Navy: Maintaining Maritime Supremacy in the 21st Century

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This year marks the 100th anniversary of the Great White Fleet, which President Theodore Roosevelt sent around the world to display American sea power. Fast forwarding 100 years, this same U.S. Navy—which played a crucial role in winning two world wars and the Cold War and fought alongside its sister services in Korea, Vietnam, and the Persian Gulf—is on a glide path to becoming a 200-ship Navy.

Sir Walter Raleigh sagely remarked several centuries ago, "Whosoever commands the sea commands the trade; whosoever commands the trade of the world commands the riches of the world, and consequently the world itself."[1] If the recent appropriations for the Navy are any guide, Raleigh's wisdom has been unachievable with the recent funding requests by the executive branch and even with the funding increases provided by the legislative branch. For example, in fiscal year (FY) 2007, the Navy's total obligational authority request was $109.1 billion—an increase of only 0.6 percent from FY 2006.[2] If the Navy is to continue to "provide firepower for freedom" around the globe long into the 21st century, it needs a robust fleet, both in the quantity of ships and in the quality of its capabilities and technologies.

In an environment in which budgeters reign supreme, the Navy must think "outside the budget box" to pay for its most urgent priorities in FY 2008 and beyond. The Navy should increase shipbuilding by finding efficiencies within the current shipbuilding budget, continuing to invest in modernization programs, strengthening and codifying the National Fleet

Talking Points

- The United States needs a robust U.S. Navy fleet, both in terms of the number of ships and in terms of the quality of its capabilities and technologies.
- The Navy must increase shipbuilding and sustain additional funding to avoid further downsizing the fleet and to achieve the planned 313-ship fleet of the future.
- Given the tight budget environment, Navy leaders need to continue seeking efficiencies within the overall Navy budget to meet the stated shipbuilding goals.
- As part of its larger shipbuilding plan, the Navy should focus on the essential need to modernize existing ships.
- The U.S. Coast Guard and U.S. Navy together should establish a closer acquisition relationship while strengthening and codifying the National Fleet Policy.

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Policy, and focusing on its primary blue-water missions and leaving the littoral and riverine missions on the other end of the maritime security spectrum to the U.S. Coast Guard.

Maintaining Maritime Superiority

The United States is a maritime nation, and the Navy, Marine Corps, and Coast Guard are the primary guardians of this global status. The Navy's core competencies, as laid out in various strategies, are to maintain maritime superiority on, below, and above the high seas against all powers, including nation-states and non-state actors.

Because the U.S. Navy fulfills its mission so successfully and has not fought a naval battle at sea since World War II, it could be easy for some to overlook this critical mission or to focus on less important priorities. The Navy, however, retains the following primary missions and requirements:

- Fighting the global war against terrorism,
- Ensuring open access to global sea and shipping lanes,
- Maintaining global presence and deterrence,
- Achieving consensus on the 313-ship plan, and
- Continuing to develop Navy missions in homeland defense and homeland security, including Maritime Domain Awareness.[3]

The capabilities required to meet the Navy's missions include the ability to aggregate and disaggregate forces quickly; to utilize sophisticated networks; to preserve connectivity and stealth; to achieve better joint and coalition interoperability; and to build a fleet of ships, aircraft, and submarines that is relevant in all types of conflict.[4] In addition to these missions, the Navy is also seeking to operate in the "green water" close to shore and the "brown water" of rivers while developing more robust capabilities within nontraditional constabulary maritime missions. For example, Navy leadership has identified the desired effects of requirements for green-water and brown-water operations as developing concepts, including expanded maritime interdiction operations, expeditionary training team concepts, enhanced combat and force protection capabilities, civil affairs, and theater security cooperation.[5]

The Navy should instead focus on its core competencies, including its relevance in the war against terrorism, and allow the U.S. Coast Guard to maintain its lead role in executing more traditional constabulary maritime missions. The Coast Guard's unique capabilities—including law enforcement and intelligence, maritime interception and domain awareness, port operations and security, coastal sea control, and theater security cooperation—are ideally suited for green-water and brown-water missions. The forces and traditional missions of the Coast Guard align more closely with many of the world's navies and coast guards. As a result, the Coast Guard should continue to provide complementary forces to the overall U.S. maritime security mission, given the service's unique combination of military, humanitarian, and civilian law-enforcement capabilities.

While the Navy and Coast Guard are working more cooperatively to improve homeland defense, in part as a result of the updated National Fleet Policy, they should also better coordinate their efforts. While having some redundant capabilities and overlapping missions between the two services may be useful, this is not particularly realistic in a highly constrained fiscal environment. The nation simply cannot afford either to pursue a bifurcated approach to maritime security or to fund two services conducting constabulary missions, particularly in terms of shipbuilding.

1. Sir Walter Raleigh, in *Respectfully Quoted: A Dictionary of Quotations* (Washington, D.C.: Library of Congress, 1989), at *www.bartleby.com/73/2044.html* (February 5, 2007).
2. U.S. Navy, *Sea Power for a New Era: A Program Guide to the U.S. Navy*, 2006 ed., January 2006, p. 180, at *www.chinfo.navy.mil/navpalib/policy/seapower/spne06/chap4-06.pdf* (February 2, 2006).
3. Admiral Michael G. Mullen, "CNO Guidance for 2006: Meeting the Challenges of a New Era," U.S. Navy, pp. 1–9, at *www.navy.mil/features/2006CNOG.pdf* (February 2, 2006).
4. *Ibid.*, p. 1.
5. *Ibid.*, p. 5.

U.S. Navy Shipbuilding

In 2006, Chief of Naval Operations Admiral Michael G. Mullen presented a report to Congress that proposed a fleet of 313 ships, "including, among other things, 11 aircraft carriers, 48 attack submarines, 88 cruisers and destroyers, 55 littoral combat ships, 31 amphibious ships, and a Maritime Prepositioning Force squadron with 12 new construction amphibious and sealift-type ships."[6] Rebuilding a fleet that has shrunk by more than 50 percent over the past 15 years to 276 deployable ships today is, and should remain, a high priority of Navy leaders.

The current Navy leadership should be commended for creating a 313-ship fleet plan and thereby providing increased stability for the nation's shipbuilders. Shipbuilders likely paid premiums for the shipbuilding program's recent tumultuous years and lack of clarity concerning the size of the future fleet. With the 313-ship fleet plan, shipbuilders can now better plan and size their workforces, which will undoubtedly contribute to greater efficiency and lower overall shipbuilding costs. The challenge in FY 2008 and beyond remains increasing the Navy's shipbuilding budget to achieve short-term and long-term shipbuilding goals.

Excluding the 2008 request, the budget requests submitted to Congress for the shipbuilding and conversion account for the past five years have averaged just over $9.5 billion per year, with only $8.7 billion in the FY 2006 budget request and $10.6 billion in FY 2007. The Navy requested funding for only four newly constructed ships in FY 2006 and seven in FY 2007. Congress, however, ultimately appropriated enough funds for six new ships in FY 2006 and eight in FY 2007. Admiral Mullen recently noted:

> [The] centerpiece of that future is a stable shipbuilding account. The fact that we had four ships in the 2006 budget was the bottom of the heap as far as I am concerned. We have continued to get a smaller and smaller Navy and, in my view, from a risk standpoint, it is as small as we can get.[7]

While the FY 2008 shipbuilding budget is a much-needed $14.4 billion—an increase of $3.2 billion over the previous year—this funding should be prioritized to include not only new shipbuilding but also modernization of the existing fleet. This level of funding needs to be sustained over many years.

Over the past several years, the congressional defense committees have attempted to help the Navy's shipbuilding program by adding funding and approving alternative funding policies, but these efforts alone are not sufficient. Counting on increased shipbuilding funding from Congress versus the baseline budget is a risky strategy. Congress has been very supportive of the Navy leadership's efforts to increase shipbuilding in the recent past, but there is no guarantee that Members will continue to be able to locate additional funds for defense.

While these annual increases have proven essential, the Chief of Naval Operations has acknowledged that an average of $13.5 billion per year will be needed to sustain the 313-ship plan through 2020.[8] This is about $4 billion more than the Navy has received on average in recent years. The Navy leadership and Congress understand that achieving this level of funding for a sustained period will be a continuing challenge. In March, Admiral Mullen observed:

> $13.5 billion in [FY 2005] dollars is not an easy goal, and I want to have something to shoot for. I think we can deliver on that where we have not been able to do that in the past, based on structure, based on understanding, and based on a plan that is stable.[9]

Looking Under Every Rock

Given these challenges, Navy leaders need to continue seeking efficiencies within the overall bud-

6. Ronald O'Rourke, "Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress," Congressional Research Service *Report to Congress*, updated August 14, 2006, p. 5, at *www.digital.library.unt.edu/govdocs/crs//data/2006/upl-meta-crs-9367/RL32665_2006Aug14.pdf* (February 5, 2007).
7. Andrew Koch, "Interview: Admiral Michael Mullen, U.S. Chief Of Naval Operations," *Jane's Defense Weekly*, January 11, 2006.
8. Admiral Michael G. Mullen, testimony before the Committee on Armed Services, U.S. Senate, March 9, 2006.
9. Geoff Fein, "Navy Must Maintain Stable Ship Plan to Keep Cost at $13.5 Billion, CNO Says," *Defense Daily*, March 15, 2006, p. 1.

get to meet the stated shipbuilding goals. In building its 313-ship fleet, the Navy needs to avoid cannibalizing shipbuilding funds for other more urgent priorities. As Admiral Mullen noted, "Everybody in the business likes to pay for other things [with the shipbuilding funding account]. That has got to stop."[10]

Possible efficiencies within the shipbuilding program include refueling carriers and submarines instead of retiring them and overhauling destroyers and other ships instead of deactivating them. Admiral Mullen has said that the Navy intends to save future shipbuilding funds by extending the lives of existing ships; the Navy must "modernize to get full service life out of our fleet, and we often have not done that."[11]

The Navy can also save funds over the longer term and free dollars in the near term by modernizing newer ships. For example, the Navy's DDG-51 modernization program allows for the incorporation of upgrades on newly constructed major surface combatants. This program provides significant savings to the Navy by applying some of the technology that is being developed for the DDG-1000 multi-mission destroyer and backfitting the DDG-51.

The less expensive upgrades yield a high return on investment by increasing the application of available technologies on the ship, including greater ship system automation. This provides tremendous cost savings to the Navy by reducing crew size and life-cycle operational and support costs. It also helps to maintain and enhance the operational readiness and effectiveness of the fleet. According to the Congressional Research Service, "although ship procurement costs are often more visible in the budget than ship [operational and support] costs, a ship's life-cycle [operational and support] cost can contribute as much as, or even more than, its procurement cost to total long-term Navy expenditures."[12]

What Congress and the Navy Should Do

The President's FY 2008 overall budget request for the Navy included only a nominal $9 billion increase. The Navy continuously needs to look for additional funding in less likely places to meet its requirements, particularly the robust shipbuilding plans. The Navy should look for savings by increasing efficiency in at least three areas.

Navy and Coast Guard Coordination. Navy leaders and Congress should:

- **Focus** the Navy on its primary blue missions, such as access and presence, while dedicating fewer resources to shallow-water and riverine missions that are the Coast Guard's core competencies.
- **Continue** Navy missions that yield high dividends in the global war on terrorism, including mine countermeasures and "stethoscope diplomacy" missions[13] involving Navy hospital ships on humanitarian assistance missions (e.g., USNS *Mercy*'s mission to Indonesia after the deadly tsunami in December 2004).
- **Require** a closer acquisition relationship between the Navy and the Coast Guard, particularly in regard to the Navy Littoral Combat Ship program and Coast Guard Deepwater program, to ensure coordinated requirements for homeland defense missions.
- **Strengthen and codify** the National Fleet Policy beyond coordination and cooperation to include additional training and joint maritime operations and exercises; closer collaboration on procurement of ships, aircraft, and communication systems; allowing Coast Guard participation in the Joint Military Professional Education Program that qualifies officers for joint duty; cross-training by exchanging Coast Guard and Navy personnel on ship and avia-

10. Andrew Koch, "Interview: Admiral Michael Mullen."
11. *Ibid.*
12. Ronald O'Rourke, "Navy Ship Acquisition: Options for Lower-Cost Ship Designs Issues for Congress," Congressional Research Service *Report for Congress*, updated June 23, 2005, p. 17, at *www.fas.org/sgp/crs/weapons/RL32914.pdf* (February 5, 2007).
13. Editorial, "Stethoscope Diplomacy," *The Boston Globe*, May 14, 2006, p. 2, at *www.boston.com/news/globe/editorial_opinion/editorials/articles/2006/05/14/stethoscope_diplomacy* (February 5, 2007).

tion deployments; and integration of Coast Guard and Navy command headquarters for maritime and homeland security missions.[14]

Shipbuilding Funding. Congress and the Navy should:

- **Overhaul** instead of deactivate ships whenever fiscally possible, particularly aircraft carriers, destroyers, and submarines. While overhauling requires an initial investment, the long-term savings of not buying a new ship and adding to the life of an existing ship are significant, particularly when meeting the demands of today's high operating tempo and global military warfighting requirements.
- **Invest** in modernization programs that add years of life to existing Navy ships instead of retiring or decommissioning Navy ships. For example, the DDG modernization, carrier refueling, and nuclear submarine overhaul programs extend a ship's service life, prevent premature scrapping, and require less new construction funding.
- **Seek** efficiencies from the Navy's lead systems integrators of ships and provide more congressional oversight through reporting and performance requirements.
- **Encourage** the sale of eight diesel submarines to Taiwan, allowing the U.S. to enter an important shipbuilding market that is currently dominated by foreign countries.

Ship Procurement. Congress and the Navy should:

- **Invest** more heavily in submarine-launched unmanned underwater vehicles for intelligence, surveillance, and reconnaissance missions; anti-submarine warfare; communications; mine countermeasures; and support of Navy SEAL missions.
- **Accelerate** the transition from DDG-1000 multi-mission destroyer to CG(X) as part of the Sea Shield missile defense program.
- **Procure** additional submarines as quickly as possible to meet global military demand and to achieve economies of scale and reduce the cost per submarine.

Conclusion

The U.S. Navy is at a crossroads. Financing the future Navy fleet is simply common sense for a maritime power. However, failure to provide a healthy infusion of taxpayer dollars to reverse the decline in the number of ships in the Navy's inventory will only embolden U.S. adversaries, which know that history has seen more than one great naval power (e.g., Spain, Portugal, the Netherlands, and the United Kingdom) become a mere shadow of its former self.

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14. Bruce B. Stubbs, "Smarter Security for Smaller Budgets: Shaping Tomorrow's Navy and Coast Guard Maritime Security Capabilities," Heritage Foundation *Lecture* No. 878, May 17, 2005, at *www.heritage.org/Research/NationalSecurity/upload/78385_1.pdf*.