



PRESS RELEASE

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Opening Statement of Chairman Roscoe Bartlett *Hearing on DD(X) Next-Generation, Multi-Mission Surface Combatant Ship*

Washington, D.C. – Today, the Projection Forces Subcommittee resumes its consideration of the Navy's DD(X) Next-Generation, Multi-Mission Surface Combatant Ship.

As I indicated in my opening statement at yesterday's hearing, there are supporters and critics of the DD(X) program. The purpose of this hearing is to provide an opportunity on behalf of the Congress and the public to gather the facts from multiple perspectives about this program. It is important that we do so at this time because the program is approaching several key decision points.

Yesterday, witnesses from the Department of the Navy and the Office of the Secretary of Defense discussed the operational requirement for the DD(X): program status, schedule and cost; technology and design maturity; acquisition strategy; industrial base considerations; and potential cost reduction alternatives.

Today, we will pick up where we left off. We will hear from two panels. The first panel consists of Government Accountability Office and defense analysts who have been watching the DD(X) program for a number of years. The second panel includes members of the DD(X) industry team, whom we've asked to provide their views on program status, schedule, and cost; technology and design maturity; the acquisition strategies being considered by the Navy and their impact on the defense shipbuilding industrial base; and potential cost reduction measures that could be applied to the program.

The DD(X) program is approaching two key decision points. One is a Major Defense Acquisition Program Milestone B review later this year in which the Under Secretary of Defense for Acquisition, Technology, and Logistics will decide whether to authorize the award of a detail design and construction contract for production of the lead ship. The program is also scheduled to complete a critical design review by August 2005 that is intended to demonstrate the design maturity of the ship and its readiness to proceed to the next phase of the program.

Coincident with this milestone decision, issues have been raised about significant growth in the cost of the DD(X) and whether or not the DD(X) is both cost-effective and affordable in the context of the Navy's operational requirements and overall ship procurement program. Implications to the Navy's shipbuilding industrial base of proposed changes in the DD(X) acquisition strategy and reduced procurement rate are also of concern.

Those of you who were here yesterday will remember that I asked our witnesses from the Navy and OSD to give us estimates of the cost per ship (lead ship and follow-on) at which the DD(X) would become

unaffordable. The estimates from the panel ranged from \$4 to \$4.5 billion for the lead ship and \$2.5 to \$2.9 billion for the 5th ship. Some of the cost estimates that have been made for the DD(X) by others approach those estimates. And, I note that \$4.5 billion is the approximate cost of the lead Virginia-class submarine and \$2.5 billion is the estimated cost for the 5th Virginia.

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