



## PRESS RELEASE

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### **Opening Statement of Chairman Roscoe Bartlett**

#### *Projection Forces Subcommittee Hearing on the Department of the Navy's Fiscal Year 2007 Shipbuilding Acquisition Strategy*

Washington, D.C. – Today we will receive testimony from senior Navy officials and other subject matter experts on the U.S. Navy's Shipbuilding Acquisition Strategy and how it supports the Navy's long-range fleet force structure. The hearing will focus on the Navy's current and future acquisition strategy, and the associated budget required to pursue that strategy.

The challenges confronting our nation and our Navy today require a delicate balance of design, resources and infrastructure. We are committed to ensuring that the Navy and Marine Corps receive the necessary resources to maintain sufficient force structure to meet current and future operational requirements.

In order to sustain our vital shipbuilding industrial base, certain questions must be addressed when examining the annual long-range shipbuilding plan, the newest iteration of the Future Years Defense Plan, and the FY07 budget request for shipbuilding programs.

For fiscal year 2007, the Navy's shipbuilding budget request is \$10.6 billion. This represents a \$1.9 billion increase over last year's budget request. Still, the Navy estimates that executing the 313 ship plan would require spending approximately \$14.4 billion annually for new ship construction programs. Considering that current funding levels in shipbuilding procurement accounts are insufficient even to maintain today's fleet of 283 ships, where will the Navy find the resources to build and sustain the 313 ship Navy that the CNO has determined is necessary to meet tomorrow's challenges?

Moreover, the Congressional Budget Office projects that the same new ship construction programs in the Navy's proposed 313 ship fleet would require an average annual budget of \$19.4 billion. With conversions

and nuclear refuelings for carriers and submarines included, that estimate rises to \$20.5 billion – **ROUGHLY TWICE THE CURRENT SHIPBUILDING BUDGET.** How does the Navy account for this major discrepancy between Navy and CBO estimates to execute your 313 ship plan?

Furthermore, the fiscal year 2007 budget request includes seven new construction ships, a major increase above the four ships requested in fiscal year 2006. However, even this apparent good news is misleading as the Navy intends to procure three of the ships through incremental funding, which means that much of the cost is deferred to later years. How will the Department protect the flexibility of future acquisition executives to meet emerging needs if it continues to expand incremental funding acquisition strategies?

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