

Congress of the United States
Washington, DC 20515

April 28, 2014

The Honorable Howard P. "Buck" McKeon
Chairman
House Armed Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable J. Randy Forbes
Chairman
Seapower & Projection Forces Subcommittee
U.S. House of Representatives
Washington, DC 20515

The Honorable Mike McIntyre
Ranking Member
Seapower & Projection Forces Subcommittee
U.S. House of Representatives
Washington, DC 20515

Dear Sirs:

As you begin to craft the Fiscal Year 2015 (FY15) National Defense Authorization Act, we write to express our strong support for funding the Littoral Combat Ship (LCS) at a production rate of four vessels for FY15, as originally budgeted and per the 2010 Department of Navy's Dual Block Buy Acquisition Strategy.

As you know, the Department of Defense secured a fixed price contract in 2010, locking in costs to the taxpayer over the life of the deal. When the block buy is complete after FY15, the Department can negotiate a new contract that will take into account cost saving efficiencies associated with experience in building.

Maintaining the original plan of four vessels in FY15 secures negotiated block buy pricing, which has yielded significant cost savings to the program and preserves the outstanding learning and efficiency curves at both the LCS shipyards. The LCS is the rare military program that has seen costs decrease instead of increase over time. The LCS has adhered to stringent contractual and budgetary constraints and is locked into fixed price contracts and a congressionally mandated cost cap. Littoral Combat Ships are being built today at an average cost of \$350 million per hull, well under the Cost Cap and at half the cost of the first ships of class. According to the Navy, the LCS is the most affordable ship in its fleet.

A large portion of the production efficiencies that have driven down ship costs are attributable to private industry investments in both shipyards, unlike the public taxpayer investments in other Navy ship yards. These private investments were made on a commitment of two ships per year, per shipyard. Backing away from this commitment acts as a disincentive to private investment, and would come at an additional cost to the U.S. taxpayer.

In addition to walking away from our commitments, if the current block buy is broken, the Navy will not only pay significantly more for ships currently under contract, but will lead to significant cost growth in the FY15-19 Littoral Combat Ships. The cost growth is associated with changes in

overhead absorption, economies of scale, lost labor synergy, severance costs associated with reduction in labor force and the potential exposure tied to the ability to recover the remaining book value of capital assets.

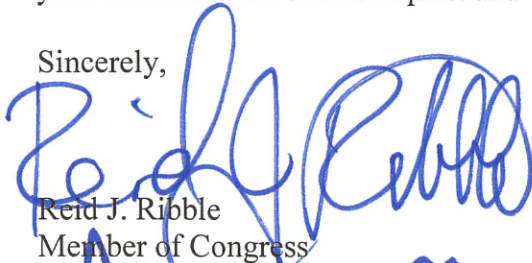
Both variants of the LCS continue to fill a strategic role the Navy repeatedly states it needs, both in brown and blue water scenarios. A recently concluded Navy War Game underscores the relevance of the LCS today and in the future. It highlighted the effectiveness, lethality and survivability of the LCS and its ability to fill a role not presently served by any other vessels in the fleet. Rear Admiral Thomas Rowden, the Navy's Director of Surface Warfare was quoted as saying, "They [LCS] can give the enemy a helluva hard time."

As Rear Admiral Rowden has stated, the Littoral Combat Ship fits well within the current fleet, "The whole is significantly greater than its parts; the LCS could be tasked to do some destroyer-type missions to free up the DDGs for other jobs."

Echoing RADM Rowden's sentiments, Admiral Jonathan Greenert, Chief of Naval Operations, stated in a recent Senate hearing that, "The LCS is an important small surface combatant the Navy needs now and in the future."

We in Congress should listen to those who are tasked with managing these programs, those who know them best and use them daily. For all of the reasons stated herein, we urge you to consider funding the LCS program at a rate of four ships per year through Fiscal Year 2015. We appreciate your consideration of this request and we stand ready to answer any questions you may have.

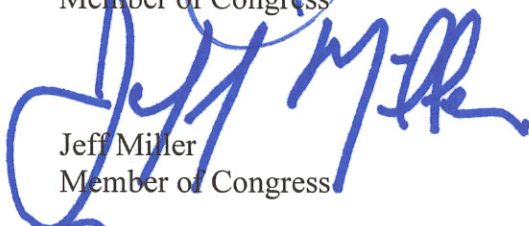
Sincerely,



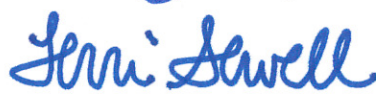
Reid J. Ribble
Member of Congress




Bradley Byrne
Member of Congress M.C.



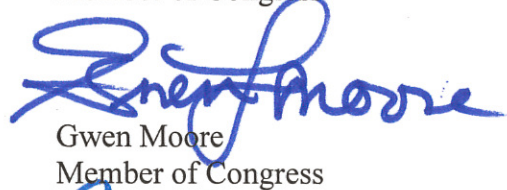
Jeff Miller
Member of Congress



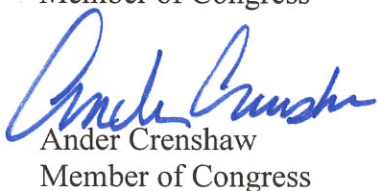
Terri A. Sewell
Member of Congress



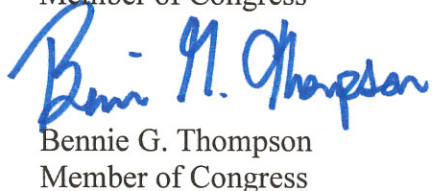
Robert B. Aderholt
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Gwen Moore
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Ander Crenshaw
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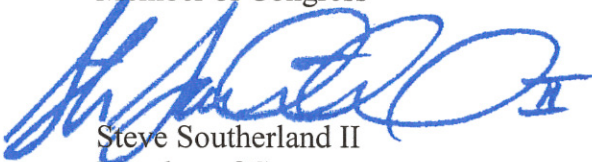
Bennie G. Thompson
Member of Congress



Alan Nunnelee
Member of Congress



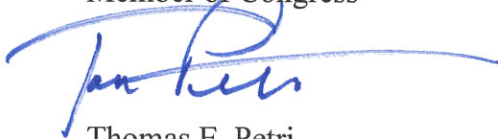
Martha Roby
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Steve Southerland II
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Sean P. Duffy
Member of Congress



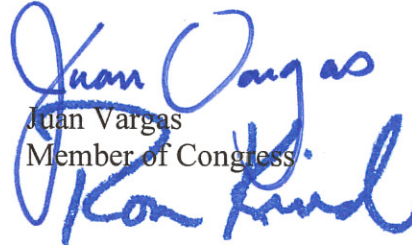
Thomas E. Petri
Member of Congress



Dan Benishek
Member of Congress



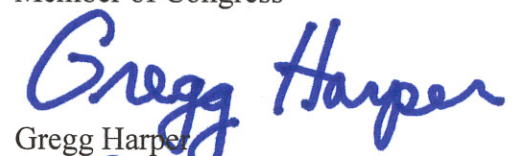
Mark Pocan
Member of Congress



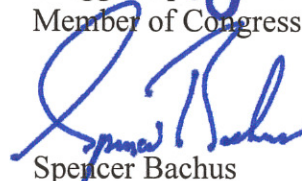
Juan Vargas
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