

Ship Clips - January 2012

A compilation of articles concerning the Shipbuilding Industry

From the Congressional Shipbuilding Caucus

1. Analysts: Manufacturers of F-35, ships, subs should win under Obama plan

By John T.
Bennett - 01/09/12
04:58 PM ET

President Obama's new defense strategy should be good news for the makers of fighter jets like the F-35 and Navy ships and submarines, according to analysts.

Defense analysts have begun closely parsing the sweeping new plan, which was released Thursday when Obama made the first visit to the Pentagon briefing room by a sitting U.S. president.

The new plan is something of a departure for the Pentagon, as it casts aside the planning premise that the military be capable of fighting two simultaneous large land wars. It also calls for a smaller Army and Marine Corps.

The plan envisions a more "widely" dispersed fight against al Qaeda, and vows to buy the weapons necessary to counter Iran and China militarily. On the latter, the plan describes a shift of U.S. foreign and national security policy from the Middle East to Asia, where U.S. officials believe much of the 21st century's history will be written.

Obama's plan was crafted with what senior Pentagon officials called an "unprecedented" amount of collaboration between the White House - including the president himself - and military officials.

Officials have used words like "leaner" and "agile" to describe the kind of military they intend to build. In fact, Defense Secretary Leon Panetta said the envisioned force's "greatest strength" is that it would be "more agile, flexible, ready to deploy, innovative and technologically advanced."

While officials say details on what programs and how many troops will be cut to meet Obama's vision for the military will come in the next budget plan, defense analysts are starting to weigh in early.

"At first blush, a pivot to the ... Pacific seems like good news for makers of warships and aircraft, bad news for makers of armored vehicles and helicopters," said Loren Thompson of the Lexington Institute, an industry consultant.

That should be welcome news for firms like General Dynamics and Huntington Ingalls Industries, which make submarines and surface ships for the Navy.

The strategy also seems to suggest the troubled F-35 fighter program will remain mostly intact. Three models of the jet, made by Lockheed Martin, are being developed for the Air Force, Navy and Marines, as well as more than 10 U.S. allies.

The shift to the Pacific, including the Chinese military threat, means fielding plenty of the advanced fighter - and selling hundreds to allies in that region - will be a key enabler of Obama's Pacific plans, analysts said.

Jim McAleese, who operates a defense-aerospace consultancy, placed the F-35 under the "favors" category in a chart he crafted showing his take on winners and losers under the new strategy.

Thompson said the most likely outcome for the F-35 under Obama's plan is a "slower production ramp, but [a] secure future."

The strategy's mention of buying weapons to deal with adversaries' electronic and cyber warfare systems, as well as sophisticated missile systems, means the F-35's stealth and other performance metrics should help it avoid big cuts, McAleese wrote.

Developing and buying bomber aircraft appears an Obama priority, and that is good news for firms like Boeing, Lockheed Martin and Northrop Grumman. All have expressed interest in eventually seeking what stands to be a multibillion-dollar contract.

The strategy talks of addressing "emerging threats" and taking the fight to al Qaeda in a "wider" number of nations - that will be good news for top-secret "black programs" and mean a further expansion of America's special operations forces, according to McAleese.

"Northrop Grumman's Global Hawk high-end surveillance drone would seem to be another vital part of the Pacific mix, given its unique combination of payload and range," Thompson said.

The strategy also states the military will soon shed parts of its ground forces best-suited for the kinds of stability operations that it has been waging in Iraq and Afghanistan for a decade.

That should leave the makers of large combat trucks firmly in the loser category, according to McAleese. It also should mean fewer Abrams tanks, Bradley Fighting Vehicles and the new Ground Combat Vehicle, meaning GD, BAE Systems and other combat vehicle manufacturers could take a hit, McAleese said.

Analysts also have been quick to note that the strategy's intention to keep a robust presence in the Middle East will mean more U.S. war plane sales to allies there as a hedge against Iran's aggression.

2. Navy Wants More Cost-Cutting From Huntington Ingalls

(RETUERS 12 JAN 12) ... Andrea Shalal-Esa

WASHINGTON - The Navy on Thursday said it is working closely with Huntington Ingalls Industries Inc to continue to drive down costs on the CVN 78 aircraft carrier and LPD amphibious ships the company has under construction.

Navy acquisition chief Sean Stackley said the company was over the government's target price for a number of LPD ships under construction, and had hit the cost ceiling established in a fixed price contract for LPD-22, the second ship delivered at the Ingalls shipyard in Pascagoula, Mississippi.

Stackley said subsequent ships in the LPD class were also over target, but showing some improvement.

Stackley did not elaborate on how much the cost overruns were.

"Each ship is a little bit better. There's steady progress, but they're not where they need to be," he told reporters after a speech at the Surface Navy Association annual conference.

Pentagon acquisition officials have focused heavily on reining in cost overruns on major weapons programs as they brace for a downturn in spending after a decade of sharp growth.

Cost overruns are particularly large in the shipbuilding sector, given that it costs billions of dollars to build one warship, but the Navy has adopted new strategies, including block buys and multiyear procurements to stabilize costs.

Huntington Ingalls Chief Executive Mike Petters said the company had already taken charges for the cost overruns on the LPD ships 22 through 25, but said the company was doing better with LPD 26, which is in the early stages of production.

He said Huntington Ingalls, which was spun off from Northrop Grumman Corp last year, was focused heavily on improving its execution and driving additional cost out of its shipbuilding programs as it continued efforts to shut down its Avondale shipyard.

"We tell anybody who will listen that we still have risk on those programs," Petters told Reuters in an interview. "Until those ships are gone, and until we get Avondale wound down and closed, we sleep

with one eye open on all those programs."

Petters said he remained confident that the company's margins would continue to improve and should reach 9 percent by 2015, with progress accelerating after work on the underperforming ship contracts was completed. The company posted an operating margin of 6.9 percent in the third quarter, compared with 4.6 percent a year ago.

Stackley acknowledged that building a new class of aircraft carrier was complex, and that task was made harder by the Navy's decision to transition to a new carrier in one ship, rather than over the course of three, as initially planned.

He said the Navy was working closely with Huntington Ingalls to drive cost out of the USS Gerald R. Ford (CVN 78) aircraft carrier, but was trying to "hammer home" the need for additional efforts.

He said the company had a good management team in place, but needed to make further changes to lower the cost of the carrier.

He said the Navy had added funds to the fiscal 2013 budget and five-year spending plan to cover expected cost increases on the CVN 78 carrier. He gave no details, since the budget will not be formally released until February, but said the Navy had not budgeted for the worst case, estimate by some to be a cost overrun of \$1 billion cost on the \$12 billion program.

He declined to comment directly on whether work on the next carrier would be delayed, something Huntington Ingalls says would drive up the cost of that ship.

Huntington Ingalls last week responded to reports that the carrier would likely be \$884 million over budget by saying it was continuing to see improvements in its performance on the aircraft carrier.

Petters said both the company and the Navy knew at the outset that building a first-in-class ship as complex as an aircraft carrier involved risk, and they had agreed on a formula for sharing that risk.

If industry had to shoulder the risk of new development programs completely on its own, he said, the cost of new warships and other weapons would skyrocket because defense companies would raise prices to cover the added risk.

"There's an argument to be made that the method that we're using to build the Ford is saving the taxpayers hundreds of millions of dollars," he said, adding that company executives were "very aggressive in going out and continue to try to save money."

He said it was critical to maintain continuity on ship programs, and said Huntington Ingalls was urging the Navy to proceed with awarding a contract for the next Ford-class carrier in 2013, rather than delaying it as some have suggested.

"The more you push this thing out, the higher the price goes," Petters said. "The most efficient way to build it is to contract on time."

3. Keel Laid for Navy's First Mobile Landing Platform

(NAVY NEWS SERVICE 19 JAN 12) ... Naval Sea Systems Command Public Affairs

SAN DIEGO, Calif. -- General Dynamics NASSCO held a keel-laying ceremony for the U.S. Navy's first mobile landing platform (MLP), Jan. 19, in San Diego, Calif.

Keel-laying recognizes the first joining together of a ship's components. While modern shipbuilding processes allow fabrication of individual modules to begin months earlier, keel laying represents the formal beginning of a ship.

"The keel laying is a major milestone for the Montford Point and the MLP class," said Capt. Henry Stevens, strategic sealift program manager, Program Executive Office, Ships. "The MLP program is benefiting from the Navy/NASSCO team's high level of design and production-planning maturity."

The keel was authenticated by Pat Mills, wife of Marine

Corps Lt. Gen. Richard P. Mills, deputy commandant of Combat Development and Integration. In a time-honored Navy tradition, Mills welded her initials into the keel plate, symbolically verifying that the keel of USNS Montford Point had been truly and fairly laid. Lt. Gen. Mills also spoke at the ceremony.

Secretary of the Navy Ray Mabus chose the name Montford Point to honor the approximately 20,000 African American Marine Corps recruits who trained at the North Carolina facility from 1942-1949. Their exceptional service prompted then-President Harry S. Truman to sign an executive order in 1948 ending segregation in the U.S. military services. "The courage shown by these Marines helped forge the Corps into the most formidable expeditionary force in the world," said Mabus.

Beginning construction in June 2011, MLP 1 will be a flexible, modular platform providing capability for large-scale logistics movements such as the transfer of vehicles and equipment from sea to shore. Each ship of the MLP class will possess a core capability mission set that supports a vehicle staging area, sideport ramp, large mooring fenders and up to three landing craft air cushioned vessel lanes. These ships will significantly reduce dependency on foreign ports and provide support in the absence of any port, making it especially useful during disaster response and for supporting Marines once they are ashore.

Montford Point is expected to deliver in fiscal year 2013 and be operational in fiscal year 2015.

4. Could Boeing Give LCS More Punch?

(DOD BUZZ 19 JAN 12) ... Philip
Ewing

Our distinguished colleague John Reed had a very interesting item this week that could potentially mean good things for the Navy's littoral combat ship - Boeing wants to build it a new missile.

As John wrote over at Defense Tech, Boeing has a thing it's calling the Joint Air-Breathing Multi-Role Missile, a concept for "a surface engagement weapon enlisting air breathing propulsion capabilities for greater range than some current solid rocket propelled missiles. It could be used as an air interceptor or surface engagement weapon against fast moving vessels," as

Boeing's spokeswoman told him.

It's early days for this weapon and LCS does not have a good track record with missiles - the Army cancelled its Non-Line of Sight missile and now the Navy is trying to make the Griffin work as a stopgap - but if Boeing can deliver, it might go a long way toward shoring up some of critics' biggest arguments against LCS.

Lockheed Martin's Freedom-class ships have a standard Rolling Airframe Missile launcher aft on the superstructure, and Austal's Independence-class ships have a SeaRAM. But those are for ship self-defense, not for heavy-duty anti-air work, so if LCS got several crates of new heavier-duty missiles it could use against red air, it might give Navy commanders more flexibility in the types of scenarios in which they felt comfortable using LCS. By some measures, these ships could make up half of tomorrow's surface force, so a beefed up anti-air capability might have been inevitable anyway.

At very least, Boeing's concept could restore, or even expand, the ships' ability to attack surface targets. Back in the old days, the idea was an LCS would launch its Fire Scout unmanned helicopter, use it to pick out bad guys and then direct the missiles to their targets. If the Navy gets that back, it'll restore its onetime baseline for the LCS' ability to fight on the surface, and if it gets a longer range and a bigger punch, so much the better.

The problem, of course, is making all of it a reality. Moreover, Boeing's promises could begin to create tension for LCS right at the moment when its supporters want it to start building momentum. LCS wasn't supposed to be a cruiser, rolling in with heavy weapons to try to outduel other warships. The Navy specifically wanted it to fight down, for lack of a better term, assuming the enemies would be illiterate pirates or suicidal swarm-boat attackers or small groups of bad guys near a coast. The prospect of new heavier weapons on ships that will form so much of the fleet could create pressure to continue up-gunning LCS to compensate for the projected gap in major combatants - especially if the Navy is confident about developing weapons while continuing to struggle in fielding the ships' unmanned accessories.

That idea would please the people who have been saying all along LCS is way too under-armed to call itself a U.S. Navy warship. And even LCS advocates have said all along the beauty of the ships was that they could evolve and adapt as the Navy needs. Still, the Navy could find itself in a situation where it was shoehorning a destroyer-type mission onto a platform that was built for a very different vision, and which was not built for major combat.

Then again, the standard LCS caveat always applies: It's all

so far in the future no one can say what will happen.

5. Aircraft Carrier Fleet Is In Danger

(RICHMOND
TIMES-DISPATCH 18 DEC 11) ... Rob Wittman

That's just one of the words used to describe the effects of the additional \$600 billion in cuts set to strike our nation's military, resulting from the abject failure of the 12-member supercommittee charged with shaping cuts in the federal budget as directed by the Budget Control Act.

The Joint Committee on Deficit Reduction is becoming but a memory of another failed initiative in Washington. The effects of its failure, however, are enormous and won't soon be forgotten. The lack of urgency in Congress is bitterly disappointing and, quite frankly, endangers the security of this nation.

Testifying before the House Armed Services Committee in November, one of our nation's highest military leaders, Chief of Naval Operations Adm. Jonathan W. Greenert, said "sequestration" would cause "irreversible damage" to our nation's naval forces.

The U.S. Navy faces its smallest force since before World War I. Sequestration will cause irreparable damage to the Navy's manpower and ship force structure. Aging ships in the fleet are already on overdue maintenance schedules, lacking the appropriate funding levels to conduct life-cycle maintenance and modernization work.

Without changes to sequestration, ships will be taken out of service before their scheduled decommissioning. What the United States will ultimately sacrifice here is presence and power projection. We will not have the assets to effectively project power and display a forward-deployed presence in regions of the world that demand our attention and oversight.

To retain the greatest Navy in the world, we need to maintain our fleet capabilities, or we will lose the ability to project power

in the 21st century and our competitive edge at sea and in our industrial base. In order to retain this influence, we must increase our investment in shipbuilding, not cut it.

An iconic symbol of American freedom domestically and abroad and a potential item for the sequestration chopping block, the aircraft carrier could face detrimental cuts to her fleet and capability because of a flawed defense strategy driven by looming budget cuts.

The Navy has 11 nuclear-powered aircraft carriers in her fleet. While six remain deployed around the world, supporting operations, others are in rotation, utilized for training or remain in the shipyard for necessary maintenance.

In 50 years, the nuclear-powered aircraft carrier has made history and shaped the world into what it is today. The USS Enterprise (CVN 65), the first of the 11 nuclear-powered carriers, has served during Vietnam, the Cold War, the Cuban Missile Crisis, Libya, Desert Shield/Storm, Bosnia, Operation Iraqi Freedom and Operation Enduring Freedom.

The aircraft carrier also symbolizes the industrial engine within the United States that will sputter if sequestration remains in its current form.

The construction of these great ships is supported through business and industry spanning 50 states and built by our greatest asset: the American people. They are designed, manufactured and engineered by the most skilled American tradesmen and craftsmen in our entire industrial work force.

Some of the most skilled workers in the shipyard train for seven years to attain the proficiency necessary to build these nuclear-powered carriers. These carriers take five years to build, and if we do not move without interruption from completing one and beginning construction on the next, the American work force cannot be maintained. The shipbuilding industrial base - those skilled workers - cannot stop and start work.

The men and women who build our ships will go to the back of an already long unemployment line, and those critical skills, that knowledge base and experience, will be lost as they seek employment elsewhere. That is not simply American job loss. It is a loss of critical national security capability.

Every aircraft carrier represents peace, prosperity, leadership and democracy, while standing ready and fully capable of being an instrument of warfare.

Since World War II, each crisis that threatened the national security interests of the United States has shown the need for an aircraft carrier to transport our men and women serving to protect freedom around the globe.

The American aircraft carrier is the pinnacle of industrial engineering, ingenuity and genius; where mechanical, nuclear, aerospace and electrical engineering converge with naval architecture to form a magnificent 100,000-ton, 1,092-foot-long piece of America.

All this hard work by Americans - the years of designing, building, manufacturing and training - must not become a forgotten trade.

The super committee chose failure over making tough choices for the greater good of this country. Sequestration cuts threaten our national security capability to defend our nation and respond to conflict in the 21st century. Failure is an outcome we must not and cannot accept.

Rep. Rob Wittman, a Republican who represents Virginia's 1st District in the U.S. House, is chairman of the Armed Services Subcommittee on Oversight and Investigations and co-chairman of the Congressional Shipbuilding Caucus.

Contact the congressman at Wittman.house.gov.

This column first appeared in Roll Call.

6. Battle
For Control Of Asia's Seas Goes Underwater

(ASSOCIATED PRESS 18 JAN 12) ... Eric Talmadge

YOKOSUKA, Japan -- It's getting a bit more crowded under the sea in Asia, where Andrew Peterson commands one of the world's mightiest weapons: a \$2 billion nuclear submarine with unrivaled stealth and missiles that can devastate targets hundreds of miles away.

Super high-tech submarines like Cmdr. Peterson's USS Oklahoma City have long been the envy of navies all over the globe -- and a key component of U.S. military strategy.

"We really have no peer," Peterson told The Associated Press during a recent port call in Japan.

But America's submarine dominance in the Pacific is facing its biggest challenge since the Cold War. Nearly every Asian country with a coastline is fortifying its submarine fleet amid territorial disputes stirred up by an increasingly assertive China and the promise of bountiful natural resources.

Submarines are difficult to find and hard to destroy. Even fairly crude submarine forces can attack surface ships or other targets with a great deal of stealth, making them perfect for countries with limited resources. The threat of such an attack is a powerful deterrent in Asia, where coastal defenses are vital.

"This is shaping up as an intense arms race," said Lyle Goldstein, an associate professor at the China Maritime Studies Institute of the U.S. Naval War College. "This arms race is not simply China versus the rest -- though that explains much of it -- because there are other rivalries here as well."

China is pouring money into enlarging and modernizing its fleet, and India is planning to get a nuclear-powered attack submarine -- the INS Chakra -- on a 10-year lease from Russia as early as this month.

Australia is debating its most-expensive defense project ever -- a submarine upgrade that could cost more than 36 billion dollars.

Japan is adding another eight to its 16-boat fleet. South Korea is selling them to Indonesia. Malaysia, Pakistan, the Philippines, Vietnam, Thailand, Singapore, Taiwan and even Bangladesh either now have or are planning to acquire subs.

North Korea, which has a large fleet of mini subs, allegedly put them to deadly use in 2010 -- killing 46 South Korean sailors in the worst clash since their war ended in 1953.

The trend has a momentum of its own -- once one country gets submarines, its neighbors are under pressure to follow suit, lest they give up a strategic advantage. But the rush to build up submarine forces also underscores a growing awareness of the region's potential riches.

Roughly half of the goods transported between continents by ship go through the South China Sea, accounting for \$1.2 trillion in U.S. trade annually. The area has vast, largely untapped natural resources -- including oil reserves of seven billion barrels and an estimated 900 trillion cubic feet of natural gas.

"The geostrategic significance of the South China Sea is difficult to overstate," said a report this month by the Center for a New American Security, a private think tank based in Washington DC. "To the extent that the world economy has a geographical center, it is in the South China Sea."

With the decline of Russia, the U.S. remains the top nation with a significant capability to operate submarines in the open seas -- a crucial advantage if Washington wants to maintain its role in keeping key sealanes and chokepoints like the Malacca Strait, which connects the Indian Ocean to the western Pacific, free for commercial trade.

The U.S. Navy's blue water superiority is likely to continue for the foreseeable future. Peterson, the Oklahoma City skipper, said the Navy's workhorse Los Angeles-class subs remain a cut above the rest. "The beauty is that they are still the state of the art."

But, closer to shore, China is challenging the status quo.

"China has put a major emphasis on submarines, with the

result that the PLA Navy submarine force is now, along with the Chinese missile forces, one of the sharpest arrows in China's quiver of military capabilities," Goldstein said.

China now has more than 60 subs in its navy, including nine that are nuclear-powered, according to the Pentagon's annual overview last year.

Its mainstay boats are diesel-powered Song-class vessels, but it also is developing more advanced nuclear-powered attack and ballistic submarines, including the Jin class that would carry missiles with a range of 4,600 miles (7,400 kilometers). Nuclear-powered subs can operate longer submerged than their diesel counterparts.

China has a long way to go to match the U.S. Navy -- the advanced Jin subs, for example, would have to be well into the Japan Sea for the continental United States to be within their range -- and Goldstein said that Beijing's threat has been overblown.

To keep its edge, however, the United States now has more submarines in the Pacific than in the Atlantic. With the military missions in Iraq and Afghanistan wrapping up, the Obama administration has also announced a "pivot to the Pacific" strategy that will likely further boost U.S. naval resources in the region.

Even so, China is just one player in an increasingly complicated game.

"Everybody's buying subs, but not for the same reasons," said Owen Cote, associate director of MIT's Security Studies Program.

The Pacific is dotted by scores of disputed islands, and who controls what part of the seas is a potentially explosive question. Japan has rival claims with China, South Korea and Russia. A half dozen countries claim rights to the remote Spratly Islands.

"Vietnam and the other states abutting the South China Sea want to have the option to contest a Chinese decision to resolve the various boundary issues that divide them by force," Cote said. "The Chinese have an interest in using submarines in preventing U.S. surface ships

from intervening on behalf of one of these neighbors in such a conflict."

As regional navies get stronger, so does the potential for armed clashes.

"It poses the prospect of changing the balance of power across the Asia-Pacific -- in fact it already has," said Hugh White, Australian National University's professor of strategic and defense studies. "This is a very maritime part of the world. Anyone with a submarine has a clear capability of disrupting commercial shipping."

White said the development of submarine forces by multiple Asian nations is already inhibiting the ability of China and the United States to project their naval power, and posing new issues for smaller navies caught in the middle.

"There are questions about whether the U.S. will continue to assume its security role," he said. "This is a big debate in Australia right now. Do we aim to be able to act independently of the U.S.? To what extent do we want to be able to operate against a major player like China, or more locally against Indonesia?"

7. Formula
for Slashing Ship Costs: Simplify Designs, Cut Industry Overhead

(NATIONAL DEFENSE 18 JAN 12) ... Sandra Erwin

Rear Adm. Victorino G. Mercado, the Navy's deputy director of surface warfare, conducted a familiar drill last week: He met with shipyard executives and solicited their help in taming the spiraling costs of building and maintaining Navy ships.

Admirals for years have been asking shipbuilders to lower prices, but so far the results have been underwhelming given recent cost trends in Navy ship programs. Manufacturers, for their part, have argued that if only the Navy ordered more ships, the industry could operate more efficiently.

Navy officials now insist that actions by both industry and government will be needed to reverse rising cost trends.

With ship inflation estimated at 10 to 12 percent a year and the Pentagon projecting a flat budget of about \$15 billion a year for ship procurement for the foreseeable future, the Navy's purchasing power is on a downward slide.

"How can we reduce overhead and produce efficiency?" Rear Adm. Ann Phillips, special assistant for surface warfare, asked an audience of military contractors at the Surface Navy Association annual convention.

The Navy needs to squeeze billions of dollars in costs from its ship programs soon, before "OCO funds" - overseas contingency operations money that is not part of the Navy's regular budget - run out, Phillips said. "In the last 10 years, we were supported by OCO," she said. "Now we have to manage without OCO."

The problem is not just the cost of buying new ships but also the expense of keeping up a diverse fleet with many ship types and models, each of which requires unique support, maintenance and training. One obvious way to save money would be to standardize equipment, Phillips said.

Across classes of ships there are untold variants of combat systems, weapons and command-and-control suites. New ships from now on, said Phillips, should emphasize lower "ownership" cost, and should "minimize surprises" in the form of high maintenance tabs that pop up years after a ship has been in the fleet.

"Old habits die hard, but we must retrain ourselves," she said.

A Pentagon-funded study by The Rand Corp. estimated that 50 percent of ship cost escalation results from "economy-driven" factors that are largely outside the control of the government such as wage rates and the cost of material and equipment. The half comes from "customer-driven" factors - regulations the Navy imposes and methods it uses to purchase ships. In recent decades, the Navy's desire for more complex ships has been a significant contributor to ship cost inflation.

A group of senior Navy officials, retired admirals and ship designers has been working on a study on how to build a new generation of ships that are cheaper to construct and can be more easily upgraded. The study has been dubbed "future concepts on modular platforms," and has been described by one of the participants as a "Lego-like" approach to building a ship.

The goal is a "true plug-and-play ship," said Richard M. Biben, president and CEO of Gibbs & Cox, a ship engineering firm. The Littoral Combat Ship is the Navy's first attempt at decoupling the hull from the combat systems, but LCS is still more tightly integrated than the concept that is now being discussed for a future design, Biben said in an interview.

If the Navy is serious about saving money, it will have to simplify the makeup of the fleet - eliminate obsolete software and hardware that requires costly upkeep, use off-the-shelf computing technology, and reduce combat systems and weapon variants, said Rear Adm. Jim Syring, program executive officer of integrated warfare systems. The plan is to "decouple combat system development from platform development," he said in a presentation at the SNA conference.

Chief of Naval Operations Adm. Jonathan Greenert hinted in comments to SNA attendees that "modularity" and "common hull" would be the operative words in planning for a replacement to current destroyers and cruisers.

Another proposed remedy to cost overruns in ship programs is to reduce yards' overhead expenses, particularly full-time staff.

Biben said the Navy's small production orders makes it tough for shipyards to keep engineers on their payrolls. Gibbs & Cox has turned this into a business opportunity by providing temp services from its staff of 350 engineers, most of whom have security clearances to work on military projects.

"For yards [especially mid-tier and small] to keep their high-end technically skilled engineering work force on staff is cost prohibitive in this day and age," said Gibbs & Cox Vice President of Business Development Shawn R. Tallant.

Rent-an-engineer services have fueled Gibbs & Cox's revenues from \$175 million to \$360 million since a year ago.

Biben predicts the Navy's top tier shipyards increasingly will have to outsource engineering work as they seek to lower the overhead costs in Navy programs.

One of the largest yards, Bath Iron Works, in Maine, already has laid off hundreds of skilled workers in response to a slowdown in Navy work. "We briefed BIW leaders" on the possibility of Gibbs & Cox becoming their "engineering arm," said Biben. "We told them, 'You don't have to worry about keeping 30 to 40 engineers on the staff. You're renting expertise from us."

Navy leaders have reacted favorably to the idea that shipyards should use temp workers to lower costs, said Biben. "Their response is we're hitting exactly at the challenge they're having."

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8. Tweak Of Bill Expected To Benefit Shipyard

(NORFOLK VIRGINIAN-PILOT 19 JAN 12) ... Corinne Reilly

A provision passed in haste with the fiscal 2012 defense authorization bill that could have spelled big losses for Newport News Shipbuilding instead will almost certainly be rescinded, officials said.

As written, the provision could force public shipyards to take over the job of nuclear refueling aboard aircraft carriers - work that is now done by Huntington Ingalls Industries, parent company of Newport News Shipbuilding. Less than a month after the law was enacted, though, the House Armed Services Committee is working to undo it, said Claude Chafin, a committee spokesman.

The provision probably will be reversed in the coming months by language in the next defense authorization bill, Chafin said. In the

meantime, officials said, no work is expected to shift hands.

The language apparently is the result of the rushed effort late last year to get the bill to the president's desk. In an article published Tuesday, Congressional Quarterly quoted House aides who said the provision was written to codify current practices and clear up confusion, but it instead did the opposite. The aides acknowledged it was a mistake and "should not have happened."

"We're confident that this will be addressed and resolved in the next bill," Chafin said. He said the committee has heard from numerous stakeholders and has assured them that fixes are in the works.

A spokeswoman for Huntington Ingalls declined to say whether company officials are taking those assurances to heart, or whether they remain concerned. In a written statement, the company said, "We are working with our Navy customer and interested members of Congress and their staffs on a balanced, reasonable path forward."

Craig Quigley, executive director of the Hampton Roads Military and Federal Facilities Alliance, said that while he's not concerned now - he has verified with members of both Armed Services committees that the refueling provision won't be acted upon - he'll be paying careful attention to the next defense authorization bill.

"It's an issue for another day," he said.

9. Exercise Helps Navy Emphasize Corps' Sea Roots

Bold
Alligator To Give Marines Chance To Brush Up On Amphibious Skills

(NAVY TIMES 30 JAN 12) ... William
H. McMichael

Amphibious warfare is supposed to be all about sending Marines ashore from the sea, lousy access be damned.

Ten years of war in Afghanistan and Iraq have severely eroded that capability. With Iraq in the history books and Afghanistan gradually winding down, the Navy and the Corps want to reclaim their beach-storming specialties.

The services will launch a reset of sorts with Bold Alligator 2012, the largest and most ambitious amphibious exercise held in at least a decade. The two-week event, which runs from Jan. 30 to Feb. 12 along the Atlantic coast, aims to "revitalize Navy/Marine Corps amphibious expeditionary tactics, techniques and procedures and reinvigorate its culture of conducting combined Navy/Marine Corps operations from the sea," Navy officials said.

It's not going to be cheap - although, given two weeks to do so, Fleet Forces Command did not supply the overall cost of the exercise, saying it is too intertwined with concurrent training events. Nine amphibious ships - one of them French - are taking part, along with a destroyer, two cruisers and the aircraft carrier Enterprise. Also included are Military Sealift Command ships, mine countermeasures ships, Navy Expeditionary Combat Command forces and the full 2nd Marine Expeditionary Brigade.

The Challenge Of The Sea

Former Navy amphibious leaders say it's past time to put Navy-Marine Corps amphibious forces to the test.

"If this is going to be one of our core capabilities, we need to get back and exercise it," said retired Rear Adm. Terry McKnight, who commanded Task Force 151 and the amphibious assault ship Kearsarge.

Learning to operate together and actually planning and launching forces from ships may seem downright exotic to those who've never taken part in amphibious operations. But the tasks were practiced routinely in the past, said retired Capt. Jan van Tol, a defense analyst for the Center for Strategic and Budgetary Assessments.

"It's exercising the basic skills that both Marines and the Navy, on the amphibious ships and on the amphibious planning squadrons ... have to always train on to remain competent in," van Tol said. "It's sort of like maintaining carrier quals for pilots." The Corps' post-9/11 focus on land warfare has largely precluded consistent training in these areas. Van Tol, who commanded the amphibious assault ship Essex, said he believes there are "significant numbers" of young Marines, enlisted as well as officers, "who've never been on an amphibious ship. They've done their tours on land." "There are senior Marine officers that have never truly embarked, and spent time thinking about how to operate from shipping," said retired Vice Adm. Gordon Holder, who commanded Amphibi-ous Group 2 and the amphibious transport dock Austin. If they were embarked at some point over the past 10 years, he said, "they were just transported." And if Marines are going to be flown rather than driven into combat, McKnight said, "What's the purpose of having all these big-deck amphibs if you're just going to send them empty?"

Changing Priorities

When former Defense Secretary Robert Gates announced in January 2011 his decision to cut the long-in-development Expeditionary Fighting Vehicle program and place the problematic Corps variant of the joint strike fighter on probation, it raised further questions about the Pentagon's interest in amphibious capabilities - at least, assault from the sea.

Gates tried to put such fears to rest.

"This decision does not call into question the Marines' amphibious assault mission," Gates said, promising a "more affordable" plan to develop a cheaper assault vehicle and upgrades for the existing vehicle fleet.

But a year earlier, Gates wondered aloud whether "it would be necessary or sensible to launch another amphibious landing" in an age in which advanced anti-ship missiles keep pushing the point at which Marines would be launched from Navy ships farther out to sea.

Keeping Its Naval Niche

Many agree that the Marines will not likely face another Iwo Jima, where 2,420 Marine casualties were recorded on the first day of the 1945 assault. Supporters, however, point to everything else amphibious forces have accomplished in recent years, citing operations ranging from disaster relief in Japan to air combat operations over Libya.

Still, there's great pressure to reduce defense spending and, possibly, to cut the Corps by more than the 20,000 already planned beginning as soon as next year.

"If the Marine Corps gets too small, you would have this discussion that says, 'Why do we have a Marine Corps? Just make them part of the Army,'" Holder said.

Holder, now a senior vice president with Booz Allen Hamilton, said the country needs an amphibiously capable Navy-Marine Corps team more than ever.

"The Army doesn't do what the Marine Corps does when it operates from the sea," he said. "I don't think anybody is looking for a force like we had in World War II. I think, though, it gives the nation that response force that can be ready ... a '911' force of medium weight that can be there and present." The Pentagon's Jan. 5 strategic guidance review did not mention the word "amphibious." But although it lacks program details, it calls for ground forces that "will be responsive ... and maintain the agility needed to remain prepared"; that have the ability to conduct limited stability operations; and a military that can conduct humanitarian, disaster relief and non-combatant evacuation operations - missions tailor-made for a fully equipped and manned expeditionary strike group.

Bold Alligator aims to demonstrate amphibious force versatility. In a November blog entry, Fleet Forces chief Adm. John Harvey said the exercise "will be much more about demonstrating our uniquely Naval, [repeat] Naval, ability to establish a sea base and conduct and sustain a wide range of expeditionary operations from the sea." Harvey, co-leading the exercise with Lt. Gen. Dennis Hejlik of Marine Corps Forces Command, wrote that expeditionary sea-basing is a proven capability today that was "amply demonstrated" during 2010's earthquake relief operation in Haiti. But Bold Alligator, he said, "will be broader in nature and serve as an opportunity to test our ability to plan and execute these extensive operations with the forces we have today."