

SAC NEWSLETTER



3.28.2022

A monthly newsletter brought to you by The Strategic Affairs Committee of the PSDSRA

Top stories in this newsletter (Helpful Hint: click the pictures to be taken to the articles/links)



Last Minute FY 22 \$728.5B Defense Bill Funds 13 Navy Ships, 12 F/A-18s; Saves 3 LCS From Decommissioning



Navy Clear to Decommission 5 Cruisers, Unclear Which Ships Will Leave the Fleet



Service Chiefs on Pattern of Continuing Resolutions: 'We Can't Keep Doing This'



Lawmakers draw battle lines for FY23 defense spending ahead of White House budget release



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USNI News Photo

"House appropriators signed out an early morning, all-in-one federal funding bill that pluses up the overall budget Pentagon budget and the Navy shipbuilding account over the initial fiscal year 2022 request.

The omnibus appropriations bill, four months past the start of Fiscal Year 2022, sets a Department of Defense topline at \$728.5 billion over the Biden administrations FY 2022 initial \$715 billion request from May. The budget includes a \$26.6 billion for shipbuilding, up from the initial request of \$22.6 billion, for 13 warships to includes:

\$4.23 billion for two Virginia-class nuclear attack submarines

\$3.67 billion for two Arleigh Burke guided-missile destroyers

\$1.46 billion for two John Lewis-class fleet oilers (TAO-205)

\$1.1 billion for one Constellation-class frigate (FFG-62)

\$590 million for two Expeditionary Fast Transports with one configured as a medical ship (EPF)

\$434M for one T-AGOS(X) ocean surveillance ship

\$577 for one Expeditionary Sea Base (ESB)

\$183M for two Navajo-class towing ships (T-ATS)

In addition to the new construction the shipbuilding and conversion account also includes \$4.7 billion for the Columbia-class program for construction and advanced procurement, \$2.2 billion for the next two Ford-class carriers Enterprise (CVN-80) and Doris Miller (CVN-81), \$2.4 for a Nimitz-class carrier refueling and complex overhaul, \$391 million for three Ship to Shore Connector hovercraft and \$310 million for Flight II San Antonio-class amphibious warships.

The bill also defunds Navy efforts to decommission three Freedom-class Littoral Combat Ships USS Fort Worth (LCS-3), USS Detroit (LCS-7) and USS Little Rock (LCS-9). The bill includes \$264 million in added funds for the Navy's Shipyard Infrastructure Optimization Program (SIOP) – the service's overhaul of its public shipyards."

Navy Clear to Decommission 5 Cruisers, Unclear Which Ships Will Leave the Fleet



Five cruisers that could be targets for decommissioning this year, according to the

"The Navy is clear to decommission five Ticonderoga-class guided-missile cruisers following the passage of the Fiscal Year 2022 defense appropriations bill, USNI News understands

Congress didn't spell out which five cruisers will leave the fleet, according to the FY 2022 defense authorization bill that was signed into law in December, and the Navy isn't sure which ones will go.

In July, the Navy's most recent decommissioning memo identified seven ships, two of which were to leave the service in February – Norfolk, Va.,-based USS Vella Gulf (CG-72) and USS Monterey (CG-61).

The other ships that were earmarked to leave fleet by April, per the advisory, were USS Lake Champlain (CG-57), USS Hué City (CG-66) USS Anzio (CG-68), USS Port Royal (CG-73). The currently deployed USS San Jacinto (CG-56) was set to decommission at the end of its deployment.

"The cruisers right now and the modernization are running 175 to 200 percent above estimated costs, hundreds of days delay. These ships were intended to have a 30-year service life, we're out to 35," Chief of Naval Operations Adm. Mike Gilday told the House Armed Services Committee last year.

Service Chiefs on Pattern of Continuing Resolutions: 'We Can't Keep Doing This'



Photo by Mike Tsukamoto/Air Force Magazine

"With just over a week left before the latest continuing resolution to fund the federal government runs out, the service Chiefs of the Air Force and Space Force bemoaned the frequent use of CRs to keep the Pentagon funded, calling the practice "bad," "frustrating," and "absolutely devastating."

Under continuing resolutions, funding is frozen at the previous year's spending levels. In the past 13 fiscal years, the Pentagon has started the year operating under a CR 12 times.

As continuing resolutions have become a regular feature in the budgetary process, "we've gotten good at bad behavior," added Raymond. "We've gotten good at pushing contracts to the end of the year. We've gotten good at doing things that we had to do because we didn't have the resources or a law that allowed us to do it."

With the latest CR set to run out on March 11, Congress is currently reckoning with how to finally push through an "omnibus" package funding the entire government. (See first article "Last Minute FY 22 \$728.5B Defense Bill Funds 13 Navy Ships, 12 F/A-18s; Saves 3 LCS From Decommissioning")

"It's hard to accelerate change or achieve the speed of relevance if you don't have the means to do the acceleration," former Chief of Staff retired Gen. John P. Jumper said. "And I just hope that you know the current events of the world can help us realize that this acceleration and these developments ... we need to move on with it."

Lawmakers draw battle lines for FY23 defense spending ahead of White House budget release



(J. Scott Applewhite/AP)

"Republican leaders are pushing for a 5% increase in defense spending in the White House's upcoming fiscal 2023 budget proposal, but the chairman of the Senate Armed Services Committee argued Wednesday big boosts for the military won't necessarily mean improved national security.

"The budget should be driven by strategy, and not strategy driven by the budget," Sen. Jack Reed, D-R.I., told reporters during a roundtable. "One of the problems [with the budget] is that too often we just pick a number, rather than say, 'This is really what we have to do and these are the priorities.'

"As a result, we sometimes don't put in the type of incentives so we will make decisions that are effective for national defense."

President Joe Biden is expected to unveil his budget recommendations for fiscal 2023 on Monday. Even though the current fiscal year began Oct. 1, Congress only recently finalized its spending plans for FY22.

Last year, the White House proposed only a small increase in defense spending in its initial budget, which critics attacked as effectively a cut for military planners given inflation.

Progressive Democrats praised the move as a way to rein in ever-growing military spending and prioritize other domestic programs instead.

But over their objections, moderate Democrats and Republicans ultimately added significantly more money to the defense accounts. The latest GOP letter is designed to start the fiscal 2023 defense budget debate at a higher target than last year.

But Reed — who supported the higher defense spending levels in last year's budget discussions — said lawmakers shouldn't automatically assume the Defense Department needs hefty budget increases each year.

"We have lots of legacy systems which we maintain, in many cases, because of political choices rather than policy or strategy aspects," he said. "We have to look at them. Are they still functional? Do we still need them?"

Reed would not identify the figure he wants for the total defense budget, but he said getting the budget finished in a timely manner should be a top priority for both parties, especially after the late completion of the current year spending plan.

Reed said he is hopeful this year's work on the defense appropriations and authorization bills can be finished in early fall, even with the late release of the White House's budget suggestions. "

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Troubled Littoral Ship Still Can't Perform Mission, GAO Says



The U.S. Navy's troubled fleet of Littoral Combat Ships has "not yet demonstrated the operational capabilities it needs to perform its mission," congressional auditors have found almost 14 years after the first vessel was delivered and more than \$31 billion has been spent.

More than \$3 billion of that has gone toward the Navy's estimate that operating and maintaining the ships will cost at least \$60 billion over 25 years. But that projection is outdated and incomplete, the Government Accountability Office said in a report issued Thursday.

After an extensive review in 2016, the GAO said, the Navy "has begun to take steps to address some of these issues, but it does not have a comprehensive plan to address the various deficiencies identified during testing and deployments."

The Navy is "appreciative of the independent review, evaluation, and recommendations provided by the Government Accountability Office," the service said in a statement. "We look forward to our continued partnership with the GAO as we work towards a common goal of delivering capability to our warfighters so they are ready to compete, fight and win whenever and wherever needed."

About the SAC:

The Strategic Affairs Committee's charter is to monitor current events and news relevant to the Ship Repair Industry and provide the Association's board of directors with items of interest that may affect the industry and / or the membership. The information includes but is not limited to current events, geopolitical information, budget news, political information and upcoming legislation.



The PSDSRA's Facebook page is regularly updated with news, which is focused on, timely and relevant information of value to our members in the Maritime Industry. To view, like, and/or follow the PSDSRA's page, click the Facebook logo.

The SAC meets on the 3rd Tuesday of every month.

To join the Committee - Email KWilkinson@delphinus.com and you'll be added to the committee distributions and meeting invitations.

Current Active Committee Members include: Kyle Wilkinson, Derry Pence, Terry Buis, Marcel Becker, Kyle Clapp, Kelvan Hall, Michael Curtain, Michael Bice, Ed Zajonc, Morgan Miller, Lorenzo Ramirez, Patrick Mooney, Ross Shook, Desiree Waldon, David Widener, Chris Hil, Dan Cummins, Michael Gonzales, Dante Sitta, Charnel Kirkpatrick, and Michelle Walker.

Members Featured



Prepared By:

Kyle Wilkinson — SAC Committee Chair

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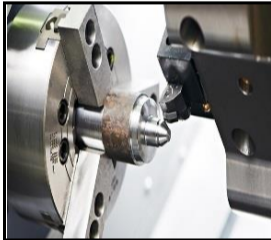
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