



DEPARTMENT OF THE NAVY  
CHIEF OF NAVAL OPERATIONS  
2000 NAVY PENTAGON  
WASHINGTON DC 20350-2000

April 28, 2015

The Honorable William “Mac” Thornberry  
Chairman, Committee on  
Armed Services  
House of Representatives  
Washington, DC 20515-6035

Dear Mr. Chairman:

I am writing to express my concern regarding the proposed change to the Cruiser Phased Modernization plan. The proposed language in the House Armed Services Committee Seapower and Projection Forces Subcommittee mark reduces the cruiser modernization period from four years to two years. This change would create affordability and executability challenges, as well as added strain on the shipbuilding industrial base, Sailors and their families.

The Navy’s original Cruiser Phased Modernization plan would have saved approximately \$4.5 billion over the entire program (Fiscal Year (FY) 2015–2026). Under the current 2-4-6 plan mandated by Congress, those savings are \$300-\$400 million, primarily due to reduced manpower and operations savings. The proposed 2-2-6 language would eliminate all savings, as a two-year period does not support crew reduction. Further, the proposed language would accelerate spending and deplete the Ship Modernization, Operations, and Sustainment Fund by FY 2018, more than one year earlier than the estimated FY 2019 for the 2-4-6 plan.

The Navy’s original Cruiser Phased Modernization plan would have enabled the Navy to retain modernized cruisers into the 2040s. Under the 2-4-6 plan, the Ticonderoga Cruiser Class will be retired by 2038. The proposed 2-2-6 construct would result in retirement of the class by 2035, which adds further stress on the Navy’s shipbuilding account in the 2030s during the Ohio Replacement Program’s peak procurement and building period.

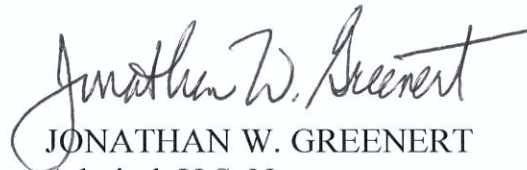
The longer modernization periods increase competition and flexibility for the industrial base. The proposed 2-2-6 plan would remove the ability to schedule the industrial periods efficiently, resulting in degraded opportunities for small businesses and reduced cost benefit opportunities for the government, and ultimately impose a higher cost as well as disruptions to shipyard loading.

In accordance with the FY 2015 laws, Navy is currently executing the 2-4-6 cruiser modernization plan, which includes issuing orders to the approximately 600 Sailors

assigned to the ships that will be inducted in FY 2016 (CG 65 and CG 69). Should the FY 2016 National Defense Authorization Act be changed to reflect a 2-2-6 strategy, the proposed legislation would delay induction of these two ships until FY 2018 due to the two year procurement lead time for equipment and the requirement to be in receipt of the material prior to beginning modernization per the 2-2-6 proposed language. This could lead to revocation of Sailors' orders, causing undue strain and uncertainty on Sailors and their families.

I respectfully request the committee reassess the proposed language put forth in the Seapower and Projection Forces Subcommittee mark.

Sincerely,



JONATHAN W. GREENERT  
Admiral, U.S. Navy

Copy to:  
The Honorable Adam Smith  
Ranking Member