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Joe Courtney

Congress of the United States

2nd District, Connecticut

January 14, 2020

WASHINGTON OFFICE:

2332 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
P (202) 225-2076
F (202) 225-4977

DISTRICT OFFICES:

55 MAIN STREET, SUITE 250
NORWICH, CT 06360
P (860) 886-0139
F (860) 886-2974

77 HAZARD AVENUE, UNIT J
ENFIELD, CT 06082
P (860) 741-6011
F (860) 741-6036

The Honorable Mark T. Esper
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

The Honorable Thomas B. Modly
Acting Secretary of the Navy
1000 Navy Pentagon
Washington, DC 20350-1000

Dear Secretary Esper and Acting Secretary Modly:

As you continue to finalize the Fiscal Year 2021 budget request for the Department of Defense and the Navy, I wrote to draw your attention to the National Sea-Based Deterrence Fund (10 USC 2218a).

Recent media reports suggest that the department has proposed significant changes to the 30-year shipbuilding plan as part of the FY21 budget process. These proposals range from requesting only one Virginia class submarine, reducing the planned purchase of DDG-51 destroyers, delaying the Frigate award and ending procurement of P-8 aircraft. The context in which these proposals are occurring is, of course, the planned start of construction for the Columbia class submarine. While this program is rightfully our nation's top national security acquisition priority, it appears the Navy will be solely responsible for funding the program out of its Shipbuilding and Conversion, Navy (SCN) account. Absent a significant increase in programmed resources in the SCN account, it is expected that allocating the funds needed to construct the planned fleet of Columbia class submarines entirely out of the Navy's shipbuilding budget will constrain the service's ability to support the full range of shipbuilding priorities for our nation.

This is not a new concern. For several years, Navy leaders have warned that reaching the goal of a larger fleet will be more difficult if Columbia is not funded as a strategic national priority, rather than a Navy shipbuilding priority. Given the fact that over 70 percent of the nation's nuclear deterrent will be deployed on Columbia-class submarines for forty years or more, this "once in a multi-generational" expense should not be disproportionately borne by one branch of the military. The Columbia is not a deployable Navy asset, but rather is a national strategic asset that will be subject to tasking from the United States Strategic Command. In the past, other national priorities such as missile defense and sealift were funded in free-standing accounts in recognition of their importance to the department and nation beyond any one service – and certainly, the replacement of such a sizable piece of our nuclear triad warranted a similar approach.

That is why, in 2014, Congress acted to create the National Sea-Based Deterrence Fund (NSBDF). As one of the bipartisan authors of this proposal, I can state clearly that the intention was to create a sperate account through which the then-Ohio Replacement Program, now

Columbia, could be managed and funded outside the traditional shipbuilding account. The goal was not just to move Navy funds from SCN to NSBDF, but to provide the department space and authority to allocate funds from across the budget into this account and reflect the national strategic priority that it is.

In 2015, after the House firmly rejected two attempts, after debate on the floor, to block the use of the NSBDF and put the House, and Congress, on record in support of this proposal. That same year, the FY16 NDAA expanded the NSBDF with additional authorities such as incremental funding for advanced procurement and Economic Order Quantity (EOQ) and clarified that reprogramming authority provided in the creation of the fund last year extends to the entire Defense Department, not just the Navy. In 2016, Congress, led by the House, approved continuous production authorities to the missile compartment and, in 2018, extended continuous production authorities to other critical components.

Recent Navy budgets have requested the use of many of the authorities of the NSBDF, including advanced construction and continuous production of components. However, to date, the Navy and the department have only used the fund as a pass-through and have not fully utilized the fund by requesting resources in the fund in the President's budget.

When other members of the Seapower Subcommittee and I put forth this proposal in 2014, we warned that the Navy would face significant challenges in funding the construction of the broad range of submarines and ships needed to support our nation's security without relief and support from outside its budget for the replacement of our sea-based strategic deterrence. At that time, estimates showed that over 30 ships would have to be removed from the shipbuilding plan. While we have not yet received the final FY21 budget submission, five-year future years defense plan (FYDP) or the FY21 Long Range Shipbuilding Plan, media reports and discussions between our subcommittee and Navy officials make clear that what we warned about five years ago is now a reality as the Navy and the Defense Department make critical choices about the budget this year.

While we can only speculate where the Navy would be today if the department had embraced the NSBDF as it was intended to operate, I hope that you will take a fresh look at it as we move forward. Achieving our shared goal of a larger, modernized, and more capable Navy fleet will require critical decisions and trade-offs not just in the Navy but across the Defense Department. I hope that you will fully utilize all available tools and authorities under the law to achieve this important and necessary national priority.

Thank you, as always, for your attention to my concerns. I look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink that reads "Joe Courtney". The signature is fluid and cursive, with the first name "Joe" and last name "Courtney" clearly legible.

JOE COURTNEY

Chairman

Seapower and Projection

Forces Subcommittee