

United States Congress
Washington, DC

For Immediate Release
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Contact: Jessica Smith (Webb), 202-228-5185
Kevin Hall (Warner), 202-224-2023

Leah Nelson (Nye),
202-225-4215

David Dailey (Scott),
202-225-8351

Jessica Mancari
(Forbes), 202-225-6365

Abbey Shilling (Wittman), 202-226-9873

Webb, Warner, Nye, Scott, Forbes, Wittman:
Scrapping Mayport Homeporting Proposal Advances
Secretary Gates' Goal of Greater DoD Budget Savings

Move Would Save 10% of Secretary's Goal to Trim \$10 Billion

WASHINGTON –U.S. Senators Jim Webb and Mark Warner and Representatives Glenn Nye, Bobby Scott, Randy Forbes, and Rob Wittman advocated cancelling the Navy's proposal to homeport a nuclear-powered aircraft carrier at Naval Station (NS) Mayport, Fla., following Secretary of Defense Gates' recent directive to the military departments to trim more than \$10 billion in Department of Defense (DoD) from future budgets.

The Virginia Members of Congress sent a letter today to Secretary of the Navy Ray Mabus in support of efforts to trim wasteful spending from the DoD budget. "We urge you to cancel the proposal to establish a duplicative and unnecessary nuclear-powered aircraft carrier homeport at NS Mayport and direct that programmed resources be allocated to other higher priority Navy requirements."

The Members continued: "In our view, cancelling this poorly justified scheme would yield 10 percent of the secretary's required savings."

Webb, Warner, Nye, Scott, Forbes, and Wittman stressed that such a move would also be consistent with President Obama's June 2010 memorandum to make better use of existing federal real estate, avoid redundant excess assets, and save \$3 billion in spending on federal property. The Members also noted that the Navy has consistently acknowledged that there is a low risk that Hampton Roads would be closed by a natural disaster or other event, undercutting the rationale for creating a second carrier homeport on the East Coast.

They suggest that federal dollars should be spent building two or three additional Littoral Combat Ships for homeporting at Mayport and properly maintaining and recapitalizing the Navy's four aging and increasingly antiquated naval shipyards.

A copy of the letter to Secretary Mabus follows.

July 1, 2010

The Honorable Ray Mabus
Secretary of the U.S. Navy
1000 Navy Pentagon
Washington, DC 20350-1000

Dear Secretary Mabus:

We write today in support of your efforts to trim wasteful spending, improve use of taxpayer dollars, and “make every dollar count” for our Navy’s most critical programs and force structure requirements.

Secretary of Defense Gates recently said, “Given America’s difficult economic circumstances and parlous fiscal condition, military spending on things large and small can and should expect closer, harsher scrutiny.” He has directed the military departments to find savings of more than \$10 billion in Department of Defense (DoD) future budgets. During your review of the Navy’s spending plans, we urge you to reconsider the Navy’s proposal to homeport a nuclear-powered aircraft carrier at Naval Station (NS) Mayport, Fla. In our view, cancelling this poorly justified scheme would yield 10 percent of the secretary’s required savings. In today’s increasingly constrained fiscal environment, we simply cannot afford to build redundant nuclear-support infrastructure without a demonstrably higher level of risk to warrant an investment of this magnitude.

Our concerns regarding growing cost estimates for the project are shared by the House Committee on Armed Services (HASC). Its report accompanying the National Defense Authorization Act for Fiscal Year 2011 states, “... the estimates for the costs of homeporting a nuclear aircraft carrier at Naval Station Mayport continue to rise and may cost as much as \$1 billion in military construction and recurring operation and maintenance costs.” Accordingly, the committee directed the Government Accountability Office to conduct an audit of all costs associated with the NS Mayport conversion, stating, “The committee is concerned that the full costs associated with the proposed second East Coast homeport for a nuclear-powered aircraft carrier have been underestimated, introducing a measure of budgetary risk and potential shortfalls in future year’s defense budget submissions.” Finally, the report expressed concern that “implementation ... would require maintenance teams from other nuclear-powered aircraft carrier homeport locations to be sent to NAVSTA Mayport temporarily to support maintenance requirements, potentially at significant additional cost.”

We believe that President Obama’s June 10, 2010, memorandum titled, “Disposing of Unneeded Federal Real Estate – Increasing Sales Proceeds, Cutting Operating Costs, and Improving Energy Efficiency” should guide your reevaluation of the Mayport homeporting plan. The President’s memo states, “For decades, the federal government ... has managed more real estate than necessary to effectively support its programs and missions. Both taxpayer dollars and energy resources are being wasted to maintain these excess assets Agencies shall also take

immediate steps to make better use of remaining real property assets as measured by utilization and occupancy rates, annual operating cost, energy efficiency, and sustainability.” The Navy already has excess nuclear-support shore infrastructure for the nuclear fleet of today and tomorrow. Building redundant infrastructure in Mayport that will only be manned when a carrier is in homeport directly contradicts the President’s policy guidance.

The President’s memorandum also directs that, "In total, agency efforts required by this memorandum should produce no less than \$3 billion in cost savings by the end of fiscal year 2012, yielded from increased proceeds from the sale of assets and reduced operating, maintenance, and energy expenses from disposals or other space consolidation efforts, including leases that are ended.” We find it ironic that the Navy is advocating an expensive and unnecessary military construction project at the same time that the Obama administration seeks to save \$3 billion in spending on federal property. Indeed, cancelling the Mayport homeporting proposal would satisfy nearly one-third of the president’s goal of saving \$3 billion.

Adm. Roughead recently asserted, “The biggest question for all of us is, what are we willing to afford? Certainly, no navy today can afford to spend its way out of this challenge. We have to think our way out, and we have to maintain affordability.” Given the Navy’s significant shortfalls in shipbuilding, the procurement of strike-fighter aircraft, and the recapitalization of its aging shore infrastructure, we are confident your reevaluation of the Mayport homeporting scheme will reveal it is simply not affordable.

While we fully support the Navy’s need to sustain the viability of NS Mayport and its adjoining ship maintenance and repair industrial base, we believe that homeporting non-nuclear ships, such as Littoral Combat Ships, would cost far less, pose fewer logistical and operating challenges, better match required ship maintenance with industrial base capabilities in the region, and be more responsive to the operational needs of the U.S. Southern Command.

At the recent Naval War College’s Current Strategy Forum, you said, “Both the President and the Secretary of Defense have made it clear that we’ve got to do a better job of managing those tax dollars. There are no sacred cows, and everything is on the table as we review every dollar we spend and how we spend it Every dollar wasted is a dollar we can’t spend protecting our Sailors and our Marines. Every dollar wasted is a dollar we can not spend building the fleet that we need. And every dollar wasted is a dollar we can’t spend defending this country.”

In the current budget environment, you have the difficult task of eliminating lower priority projects and programs that are not well-justified by a rigorous risk-based, cost-benefit analysis. The Navy has consistently acknowledged that there is a low risk that a catastrophic event could close Hampton Roads. This risk assessment undercuts the Navy’s rationale for seeking to create an alternative East Coast homeport for nuclear-powered aircraft carriers. For this reason, the “opportunity cost” of spending up to \$1 billion at NS Mayport for carrier homeporting will unavoidably divert funds from far more important requirements. As you said, “Every dollar wasted is a dollar we can not spend building the fleet that we need.”

Mr. Secretary, we appreciate the challenges you face. At the end of fiscal year 2009, the Navy had a \$3 billion funding shortfall for sustainment, repair, and modernization projects at the four naval shipyards. In December 2009, the Navy's total shore infrastructure backlog had reached \$36.6 billion. Furthermore, despite your goal of a fleet composed of 313 combat ships, the Navy is today at only 70 percent of that number. The Congressional Budget Office's May 2010 analysis of the Navy's long-range shipbuilding plan projects costs that are 37 percent higher than the Navy's estimates for the plan's final 10 years.

Your comments at the Current Strategy Forum are fitting: "In the end, it's about using our resources a lot more wisely. Because the long-term ability of the Navy and Marine Corps to support America's broader foreign policy objectives, to remain the strategic leader in the world ... depends on our ability to adequately resource our fleet."

Any decision to expend scarce resources to homeport a nuclear-powered aircraft carrier at NS Mayport must be considered within this context. Is it more important to create a duplicative, expensive homeporting capability than it is to build two or three additional Littoral Combat Ships? Is it more important to build redundant nuclear maintenance facilities at NS Mayport than it is to properly maintain and recapitalize the Navy's four aging and increasingly antiquated naval shipyards?

We think not and hope that you will share our convictions. For these reasons, we urge you to cancel the proposal to establish a duplicative and unnecessary nuclear-powered aircraft carrier homeport at NS Mayport and direct that programmed resources be allocated to other higher priority Navy requirements.

Sincerely,;

Senator Jim Webb
Senator John Warner
Representative Glenn Nye
Representative Bobby Scott
Representative Randy Forbes
Representative Rob Wittman

Copy to:
The Hon. Robert Gates, Secretary of Defense
Admiral Gary Roughead, Chief of Naval Operations
The Hon. Robert Work, Under Secretary of the Navy

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