

Rebuilding US Navy
Fleet strength from the
ground up

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AUSN
USNAVY

Rebuilding national interest and skill sets
for Navy service

Reimagining the economics of a larger
Navy

Resetting Navy policies to encourage
long-term service



Rebuilding America's Navy requires a strategy that educates and inspires, expands shipbuilding capacity and gives Sailors greater career flexibility



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The shortcomings of America's Navy are well-documented and usually captured in the debate over fleet size.

But a discussion over the number of ships glosses over the specific factors that stand in the way of a more vibrant Navy, including *gaps in our education system* and the failure to promote a *healthy shipbuilding industry*.

In this review, the **Association of the United States Navy** highlights these and other causes of our over-taxed fleet, the first step toward addressing them. America must begin to rebuild a Navy that has seen no growth in more than 15 years, even as the threats overseas metastasize and grow more dangerous.

Our most pressing threat is China, which has emerged as America's top rival for global naval power. This decade will determine whether America rises to this challenge with a Navy that can deter aggression and support her allies, or whether we give way to China's dominance.

Congress is growing more worried. In March 2021 a number of lawmakers pushed for a robust Navy Shipbuilding Budget to counter China's Growing influence.

"In the era of great-power competition, a stronger U.S. Navy capable of projecting power around the world is necessary to ensure America's national and economic security during peacetime as well as to defeat our adversaries should deterrence fail," they said.





"We are concerned that the DOD and the Navy are not keeping pace with China on shipbuilding. Due to the long lead times necessary to properly procure and resource a larger fleet, attention must be paid to this critical issue immediately."

We believe the former path is still open to America if we look at ships and shipbuilding through a new lens, and ensure we have enough skilled people to operate and command a larger fleet.



The Problem, Part 1: A Smaller Navy is a Growing National Security Risk

"The average age of the Chinese fleet is 11 years. Ours is 21, It's time to field the future Navy. We must modernize now for the looming competition ahead of us and maintain a forward posture that keeps America safe and prosperous." Chief of Naval Operations Adm. Michael Gilday warned Congress June 2021

The goal of a 355-fleet Navy was set in federal law in 2017

This goal is still out of range several years later. The total fleet remains just under 300 ships in 2021. The Trump administration recommended a 405-fleet Navy by 2051, and some in the Biden administration support this target. However, budget realities and other obstacles are keeping even the old target of 355 ships out of reach, while China's fleet is already at an estimated 360 vessels.

America's fleet is stretched further today than it has been in decades. Growing pressures from Russia and China in the Pacific, Eastern Mediterranean, Black Sea and the Arctic have forced a significant uptick in the U.S. Navy's operational tempo. Today, the Navy would need well above 300 ships to secure U.S. interests around the world at a normal operational tempo, and more than 400 ships by the middle of this decade to keep pace.

Meeting current U.S. national security demands with fewer ships has also taken a toll on both Navy personnel and the fleet itself:

- Training has taken a back seat to ongoing operational demands, and many agree this is a factor in the recently increased number of naval accidents. In 2017 alone, the guided-missile cruiser USS Antietam ran aground in Japan, the USS Lake Champlain collided

with a fishing boat, the USS Fitzgerald collided with a Philippine-flagged vessel and the USS John McCain was involved in an accident with a chemical tanker, resulting in the death of 10 crewmembers. In 2020, a fire on the USS Bonhomme Richard sent 17 Sailors to the hospital and led the Navy to prematurely decommission this ship.

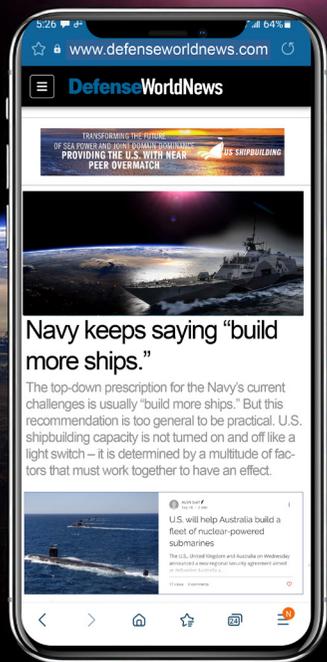
- The morale of Sailors has been lost as a priority. The Navy's use of "double pump" deployments – sending crew out to sea for two consecutive deployments with only a short return home – has become more commonplace and creates an incentive for Sailors to leave the service early that also puts more pressure on Reservists.
- A smaller fleet means fewer chances to command. This creates another incentive for career officers to exit the service and leads to the loss of skill and expertise that took years to develop.
- Rapid deployments are causing a rapid deterioration of U.S. ships. More wear-and-tear is leading to longer maintenance periods, which further strain the fleet and outpace the capacity of shipyards to keep up.

America is doing a lot with a relatively small Navy. This wears out both personnel and hardware along the way, puts America further behind each year and raises real and long-term national security concerns. This is clearly a situation that needs correcting.



A welder is shown working in a dark, industrial setting. The welder is wearing a dark protective suit and a yellow welding mask. Bright sparks are flying from the welding point, illuminating the scene. A large, semi-transparent watermark '353' is overlaid across the center of the image. In the bottom right corner, there is a small inset image showing a view of the Earth from space.

The Problem, Part 2:
Fleet Size is a Symptom of
Larger Problems Facing
the Navy



The top-down prescription for the Navy’s current challenges is usually “build more ships.”

This recommendation is too general to be practical. U.S. shipbuilding capacity is not turned on and off like a light switch – it is determined by a multitude of factors that must work together to have an effect. For example:

- The nation lacks any working strategy to recruit and develop enough personnel to maintain and operate new ships, or to encourage national service. A career in the Navy needs to be encouraged among school-age children as a patriotic way to serve the country and learn valuable life skills. This should include an effort to improve and maximize the use of Navy recruiter visits to high schools, which must do a better job explaining the excitement and benefits of a career in the Navy.
- Funding is always a critical factor. But rather than looking at the final price tag of an expanded fleet, policymakers should see a larger fleet as something that spurs high-end production that leads to American jobs, with a utility beyond just defense. This requires

new ways of thinking about how to unleash American capacity for commercial shipbuilding, and how a larger Navy can promote economic growth between the U.S. and its security partners.

- Once someone does enlist, we need to remove barriers to long-term Navy careers so Sailors are able to stay current and skilled in their chosen profession.

To overcome factors that hinder the expansion of U.S. naval power, the Association of the U.S. Navy offers recommendations in three broad areas

Rebuilding national interest and skill sets for Navy service

Reimagining the economics of a larger Navy

Resetting Navy policies to encourage long-term service

Only by addressing these three areas can America hope to rebuild a Navy large enough to carry out the tasks we have set before it.





America's youth is the key - from trade and vocation paths today's youth become tomorrow's builders, ship drivers and advanced skills technicians but only with a national level effort.

Ships make large ripples in the U.S. and global economy and should inform policymakers' decisions as they consider military funding. America must reconsider policies that have led to the demise of its commercial shipbuilding industry.



REbuilding National Interest and Skill Sets for Navy Service

America's youth is the key to our success or failure in our effort to expand U.S. naval power – they will either command, operate, build and maintain these ships, or find interests elsewhere. They must be engaged and inspired at an early age on how a strong U.S. Navy contributes to our national strength.

Naval skirmishes up and down the East Coast played a major role in America's victory in the Revolutionary War, and generations later, in the Battle of Leyte Gulf – the largest naval conflict in history and one that gave America a lasting advantage.

Our history of prowess at sea should never be forgotten. We must teach students about the tools that delivered the country we love and maintain our democratic values even today.

INTRODUCE SKILLS

Educators of elementary, middle and high school students should be encouraged to include naval sites, military museums and other sites that explain how our military has secured this nation for generations, and its ongoing importance today.

The Navy should review its Junior Reserve Officers Training Corps to see how this program can be improved so that more grade schoolers are aware of the opportunities that await them as a service member.

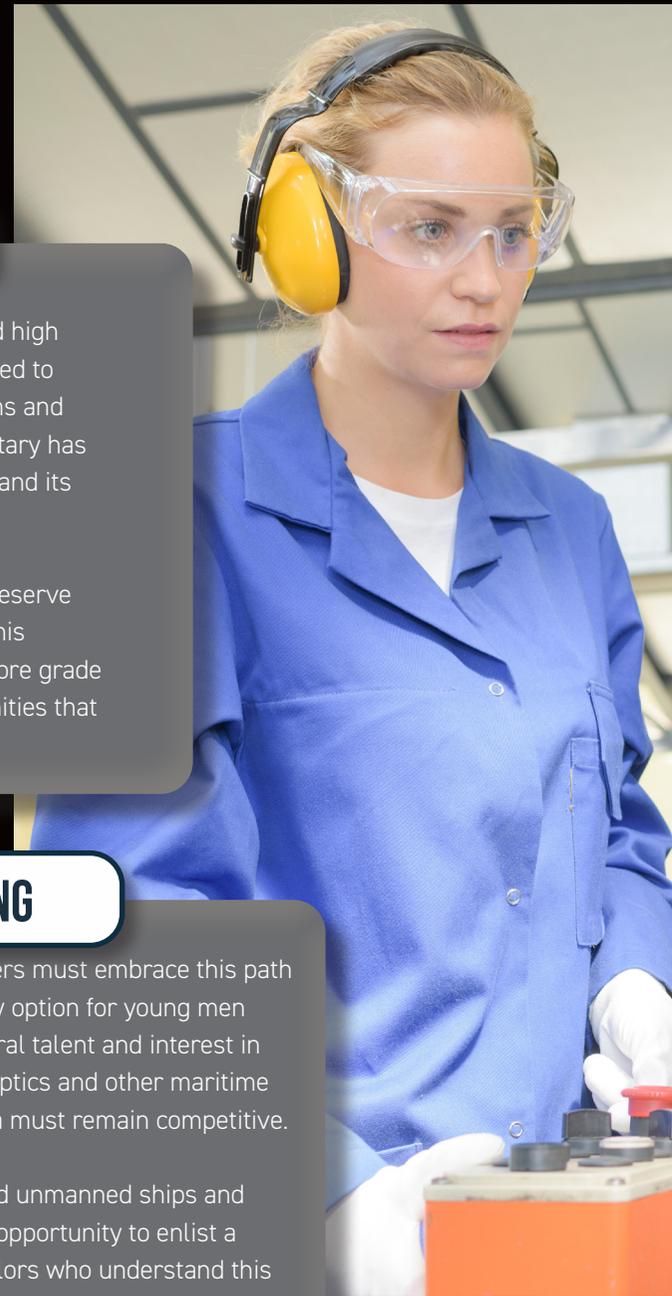
EARLY TRAINING

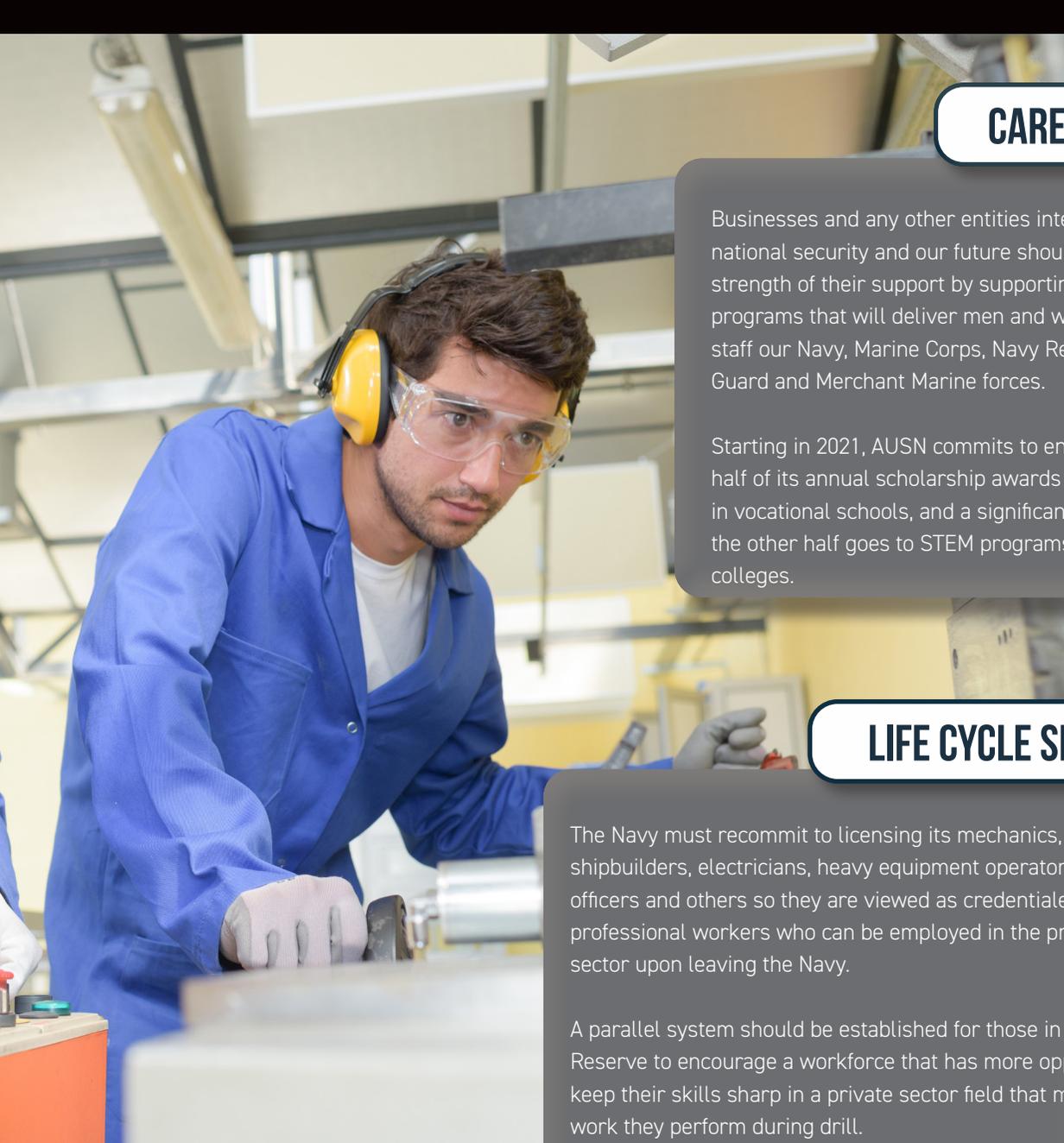
National and local leaders must embrace this path and treat it as a primary option for young men and women with a natural talent and interest in construction, engines, optics and other maritime trades in which America must remain competitive.

The Navy's move toward unmanned ships and drone technology is an opportunity to enlist a new breed of young Sailors who understand this technology and want a chance to use it in the service of our country. The remote piloting of naval ships and aircraft is an exciting new field, and those interested in this technology should see a career in the Navy as a way to improve their skills in a field

School systems, business leaders and politicians should encourage skills-based, non-college education and career paths not just with platitudes, but with funding and scholarships. Vocational education is far less expensive than most four-year colleges, but that does not mean it carries no cost.

Vocational students need to see that society places a high value on the skills they learn in these institutions, and the best way to demonstrate that is to support these choices.





CAREER PATHWAYS

Businesses and any other entities interested in our national security and our future should show the strength of their support by supporting technical programs that will deliver men and women who will staff our Navy, Marine Corps, Navy Reserves, Coast Guard and Merchant Marine forces.

Starting in 2021, AUSN commits to ensuring that half of its annual scholarship awards go to students in vocational schools, and a significant portion of the other half goes to STEM programs in four-year colleges.

Those who are inspired to serve in the Navy need more than an appreciation of history and love of country – they need the skills to serve. Our country exerts enormous public pressure on children to go to college in pursuit of a healthy household income, but it views vocational education and trades as a fallback option for those without the grades or the resources to go to college.

Vocational education is an important and often life-changing option for those not inclined to pursue expensive academic education past high school. It is also a path that can lead to bright futures for millions of our children.

LIFE CYCLE SKILLS

The Navy must recommit to licensing its mechanics, shipbuilders, electricians, heavy equipment operators, engine officers and others so they are viewed as credentialed, professional workers who can be employed in the private sector upon leaving the Navy.

A parallel system should be established for those in the Navy Reserve to encourage a workforce that has more opportunity to keep their skills sharp in a private sector field that mirrors the work they perform during drill.

The Pentagon must support both current and future enlistees by fully enforcing the Uniformed Services Employment and Reemployment Rights Act, which protects men and women who leave civilian employment to serve in the military.

Promoting these skills will help develop the Sailors the Navy needs as well as the private sector jobs in fields that support the Navy. Therefore, service members who develop these skills in the Navy must be given every opportunity to use these skills in the private sector.

REimagining the Economics of a Larger Navy

The bottom-line cost of naval ships is large and growing and is becoming more difficult to justify in annual budget debates that often leave little room for more detailed justifications.

But thinking of naval vessels only as expensive military hardware misses the bigger picture. These ships make large ripples in the U.S. and global economy, and these positive effects should inform policymakers' decisions as they consider military funding in the years ahead. For example, the construction of a U.S. naval base in Djibouti in 2001 contributed to dramatic growth in that nation's gross domestic product and trade. Thus, the U.S.

was able to cement our relationship with a much-needed strategic partner in East Africa, counterbalance China's power, and contribute to Djibouti's economic prosperity.

This is a more constructive means of building alliances than the method China often uses, which is to lend money for ports or other infrastructure and then take ownership/control over ports of those nations that cannot afford to pay back the loan. Some call this "debt-trap diplomacy," and the ability of U.S. ships to call on foreign allies overseas is a more positive way we can counter China's effort.

America must reconsider policies that have led to the demise of its commercial shipbuilding industry. We have watched the slow death of commercial shipping in America for more than a century. The Merchant Marine Act of 1920 was designed to ensure a domestic commercial shipping fleet by requiring cargo shipped between U.S. ports to be carried on U.S.-built, U.S.-flagged and mostly U.S.-crewed vessels. But most agree this policy led to prohibitively expensive shipping costs and a greater reliance on trucking and rail, which has decimated domestic shipbuilders.

America accelerated this problem in the early 1980s when it ended federal subsidies to this industry. Most agree these two factors have nearly eliminated our incentive, and thus our ability, to produce commercial ships. Today, we have fewer than 100 U.S.-flagged commercial ships – a dramatic decline from the more than 1,200 we had in the 1950s.

This trend has done more than simply hurt our shipbuilding capacity. It is a significant hurdle to a vibrant Merchant Marine. The merchant navy is comprised of cargo ships, tankers and other vessels that conduct our water-borne

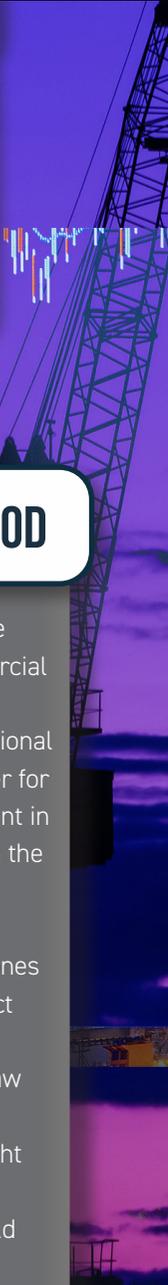
ECONOMIC TOOL

A growing Navy fleet needs to be justified as a versatile tool of diplomacy, shared economic growth and global security to the Defense Department and lawmakers who ultimately decide on the size of the Navy's budget.

NATIONAL LIFELOOD

America must consider dramatic changes to the economic system that has depleted our commercial shipbuilding capacity and merchant navy. This industry serves as a vital component to our national defense and must be presented as such in order for Congress to either reactivate national investment in this industry or treat it as a defense line item in the budget.

The Merchant Marine Act, also known as the Jones Act, should be overhauled and updated to reflect the unique challenges of the modern economic and competitive landscape. This 101-year-old law has decimated – not protected – our domestic commercial fleet. At the same time, we must fight for fair trade practices overseas as the nation's shipbuilding industry once again regains a world class reputation. Doing this will take time and requires a judicious approach to move our domestic maritime industry to compete globally.





STEADY PRODUCTION

Navy ships will never be mass produced, but the closer the Navy gets to the steady production of repeatable, reliable ships, the better. The Navy appears to have taken many of these lessons onboard after the failed LCS program, which did nothing to boost the size of the fleet because of its higher costs, routine equipment failures and overall failed rollout. The Navy must take care to keep these lessons in mind as it builds the future fleet. The move toward unmanned vessels is another promising step that will likely allow the Navy to achieve the reduced costs and economies of scale it seeks without increasing risks to Sailors.



Economies of scale make everything more affordable, and this concept must be employed to reduce the price of Navy ships. At the same time, the Navy must learn from the mistakes it made with the littoral combat ship (LCS), which was an attempt to quickly churn out several more affordable and customizable vessels that failed when rapid production timetables and evolving requirements led to cost overruns and serious operational flaws.

The Navy's recent decision to build the guided-missile frigate FFG(X) is a promising move toward the durability, firepower and reliability that the LCS lacked. The FFG(X) is based on an existing production design and will rely on new technology, which should help the Navy avoid the excess training and malfunctions that plagued the LCS. The new ship will return to a steel hull instead of the aluminum hull found on some LCS varieties, and standard weapons systems instead of the plug-and-play options that only made their operation more complex.

Perhaps more importantly, the Navy will pursue an evolutionary design for the FFG(X) that it hopes will eliminate the kinds of mistakes made with the LCS.

REsetting Navy Policies to Encourage Long-Term Service

A new fleet of Navy ships can't set sail without a crew, which means policies must be aligned to ensure vigorous recruitment, training and retention of our Sailors. However, some of today's policies encourage early retirement and loss of training and must be remedied.

Without a fix, Sailors will vote with their feet and either create a "brain drain" problem within the service by retiring early or failing to re-enlist.

Today, for example, the Navy rotates some Sailors among several duty stations every few years, which means they are not allowed to focus on their particular area of interest or expertise. Enlistees in other branches of service are more likely to be allowed to specialize in their chosen field.

SAILOR FOR LIFE

The Navy should explore ways to let Sailors do the jobs that keep them in their preferred career direction, consistent with upholding the Navy's mission. Giving Sailors a viable career path is critical to keeping them in the service longer, which lets them pass their knowledge on to younger Sailors.

The Navy should explore ways to allow for easier transitions between active duty and the Navy Reserves. This would give Sailors more options for staying in the service in the face of transitional life events such as pregnancy or the illness or death of a family member and might also allow a Reservist to fill in for a Sailor for short periods of time for these kinds of family-related events or other reasons.





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The Navy's routine use of "double pump" deployments is clearly taking a toll on Sailors and their families. This practice is related to the number of ships in the fleet and should be reduced as the number of ships and Sailors increases.

RECRUIT, TRAIN, RETAIN

The Navy needs to immediately ensure the proper balance of Sailors to ships, starting today. More Sailors should be recruited immediately to minimize the need for "double pump" deployments. The number of available Sailors must be continually adjusted to ensure these more rapid deployments are not needed as the size of the fleet grows in the future.

Adequate training time should follow adequate staffing. The Navy can no longer afford accidents that cripple ships for months at a time or lead to

US Maritime is Defense, Economics, In



The U.S. maritime industry integrates our economy with a vast global system that moves more than 90 percent of the world's trade by tonnage, including energy, consumer goods, agricultural products, and raw materials.



Industry

These industries, vessels, infrastructure, and personnel also play critical roles in national security, supporting our Nation's ability to provide sealift for the Department of Defense (DOD) during times of war and national emergency.



Conclusion

AUSN offers these broad recommendations as constructive criticism for America's Navy, which is undergoing a more dramatic transition than perhaps any other branch of the U.S. Armed Forces.

America's shift to a "great power competition" mindset of military strength implies fewer boots on the ground but an increasing use of sea and air power to project U.S. strength and deter enemies across the globe. This implies a stronger Navy – in terms of strength, one that rivals our 600-ship fleet from the 1980s that played a key role in deterring a Soviet attack and accelerated the peaceful end of the Cold War.

As we acknowledge Russia and China as growing adversaries, America's Navy requires reform and must once more be seen as a critical element of America's enduring prosperity and national security in the Pentagon, the White House and Congress. Time is of the essence – our adversaries are waiting for no one.

The proposals we offer above are a guide to ensuring the Navy is not just funded but supported from the ground up by the American people who have the skills to contribute, by a thriving commercial shipbuilding industry and by a talented group of Sailors who are given the incentives to serve.





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