

## YourNavy

# Lawmakers grill Navy over maintenance funding shortfall

## Panel questions budget priorities as readiness weakens

By Sam Fellman

sfellman@militarytimes.com

As the surface fleet's material readiness languishes for the third straight year, ship repairs "came out short a few hundred million dollars," a Navy logistics official said in testimony before Congress on July 12.

At that hearing, data showed that the number of ships receiving a grade of "degraded" during material inspections has doubled, from four in 2009 to eight in 2010.

Only halfway into this calendar year, the fleet has seen two failing grades from the Board of Inspection and Survey — the same number of failures the Navy had in all of 2010.

Given these results, lawmakers asked two Navy three-stars to explain why the service had not fully funded ship maintenance in its 2012 budget request, which

projected significant gaps.

"When you take that five-year stretch from 2007 to 2011 and we see the curve of failures going up, not down, that has to be concerning," said Rep. Randy Forbes, R-Va., chairman of the House Armed Services Committee's readiness subcommittee, in a July 13 interview.

"As we put off our maintenance more and more, we're going to have more and more failures take place."

The House recommended the \$367 million maintenance shortfall be fully funded in the House defense appropriations bill. The bill has passed the chamber, but it must go through several more steps before becoming law.

Overall, data show that INSURV results are better than

in 2008, when four ships failed, but this upswing is at least partially due to increased funding for pre-inspection preparations such as assistance work and training, Navy leaders have said.

The additional funding is unsustainable, leaders said.

"What we're seeing is that we have steadily in many areas — not all areas — we've improved the performance and part of it is due, quite honestly, to how we're preparing for it," Rear Adm. James

McManamon, deputy commander of surface warfare at Naval Sea Systems Command, said in a July 1 interview.

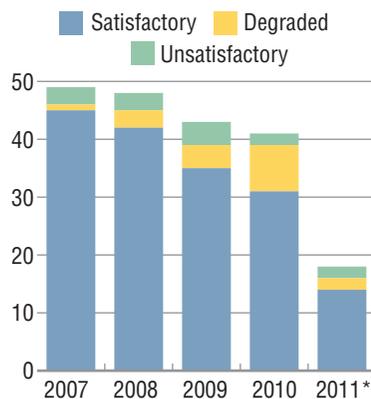
"Now that raises the next question: Can I afford to keep spiking, in a sense, for INSURV ships? And I think the answer is no."

### \$367 MILLION

The value of repairs the Navy says will be deferred because of insufficient maintenance funds.

## INSPECTION RESULTS

The number of ships considered "degraded," the rating below "satisfactory," by the Board of Inspection and Survey is on the rise.



\*As of July 1

SOURCE: BOARD OF INSPECTION AND SURVEY

BRYAN SMITH/STAFF

McManamon said additional funding for inspection preps could be needed for as long as the next three years.

Over the past two years, as fleet officials were heralding a renewed focus on ship maintenance, the amount of money they requested for upkeep was dropping. As part of the fiscal 2012 budget request, the service asked for \$7.3 billion for ship maintenance, roughly \$100 million less than last year despite a rise in the operational pace. At that level, nearly 6 percent of scheduled maintenance would go unfunded.

At the subcommittee hearing, Forbes asked why the Navy would try to put off \$367 million in ship maintenance if it was still struggling with INSURV failures.

"I'm not happy about the \$367 million," said Vice Adm. William Burke, deputy chief of naval operations for fleet readiness and logistics. "However, it was a decision that was made on a bunch of other priorities and ship maintenance came out short a few hundred million dollars. The impact of that is significant. The impact is that we will go without approximately 40 availabilities."

Despite admitting that "there's not a good justification for these shortfalls," Burke continued to assert that the Navy was meeting the operational demands of the combatant commanders.

Forbes and some other lawmakers weren't persuaded.

In an interview, Forbes pointed to the rising number of INSURV failures in the past five years.

"How in the world do you say, 'We've got 22 percent failures in our INSURV inspections but we're

going to have a \$367 million shortfall in the maintenance we do?' The average person looking at those just says, 'These two just don't add up,'" he said.

INSURV failures aren't the only problem, Forbes said. Parts are being transferred from ship to ship at an alarming rate to allow for deployments and to pass inspections — a statistic the Navy refers to as a "cannibalization rate." In the first quarter of fiscal 2011, according to data the Navy provided to Congress, each attack submarine had an average of slightly less than one "cannibalization incident" each quarter. On surface combatants, 0.31 incidents are happening each quarter; the maximum accepted level is 0.28.

### Classification

The INSURV totals presented at the hearing had not previously been released, partly because Adm. Jon Greenert — the vice chief of naval operations and the nominee to succeed CNO Adm. Gary Roughead — classified INSURV results in late 2008.

At the time, his spokesman argued that these detailed reports on a ship's material condition could aid the enemy. While the reports can be requested by the public, they are almost completely blacked out, preventing an independent assessment of the fleet's readiness.

Forbes stopped short of calling on all of the inspection reports to be unclassified, but he said he was working to see whether sections of the individual reports could be publicly released.

The timing of the classification was questionable, he added.

"If you look at the time period of when they classified them, it's kind of interesting. It's because there was this big jump in the percentage of failures that were taking place," Forbes said. "That's a concern for me."

Rep. Rob Wittman, R-Va., also contends that portions of the Navy's INSURV results should be publicly released.

"I know the Navy may look at it and say, 'Oh well, it represents a weakness if somehow we're showing the failure rates,'" Wittman said in a July 14 interview. But, he added, "If we don't know where the problems are, then there's no way we can anticipate what to do to fix them."

Wittman, who is co-chair of the Congressional Shipbuilding Caucus, continued: "In the general sense, they need to be putting this out there." □

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