

**Opening Statement of U.S. Senator Jack Reed  
Ranking Member, Senate Armed Services Committee**

**Room SDG-50  
Dirksen Senate Office Building  
Thursday, October 1, 2015**

**To receive testimony on procurement, acquisition, testing, and oversight of the Navy's *Gerald R. Ford*-class aircraft carrier program  
(As Prepared for Delivery)**

Good Morning. I would like to thank Senator McCain for calling this important hearing regarding the *Gerald R. Ford*-class aircraft carrier. I would also like to thank our witnesses for appearing today.

The *Gerald R. Ford*-class aircraft carrier program has been plagued by delays and cost overruns since its inception over a decade ago. Today's hearing will focus on many of the problems that we have seen during execution of the program. Some of these delays and inefficiencies are the responsibility of the shipbuilder who has been operating on a "cost plus incentive fee" type of contract and has been slow to apply modern building techniques that the shipbuilder is using in the same shipyard for the highly successful *Virginia*-class submarine program. Some of the problems stem from including new technologies that were not sufficiently mature into the design of the ship. These immature technologies included systems that are critical for successful operation of the aircraft carrier: (1) the advanced arresting gear; (2) the electromagnetic aircraft launch system; and (3) the dual band radar. Each of these systems has posed schedule challenges and is millions over budget. While we recognize that designing and building an aircraft carrier is a difficult and costly enterprise, the committee is concerned that some of these problems were foreseeable and should have been resolved years ago.

But I believe there is a larger issue woven into this drama.

If we look back at the inception of the program, the Navy was facing the inevitable retirement of the U.S.S. *Enterprise* (CVN-65) which was scheduled to run out of fuel about 2013 or 2014. This pressurized the schedule for starting the first ship in the CVN-21 program, which evolved into what would become the next aircraft carrier, the U.S.S. *Gerald R. Ford* (CVN-78). The CVN-21 program was intended to evolve technologies over a 2-ship program (CVNX-1 and CVNX-2) and install new systems when they had

achieved sufficient maturity to warrant inclusion. While that may not have been perfect, the 2-step plan was more in keeping with the spiral acquisition approach favored by the Weapon Systems Acquisition Reform Act of 2009. However, in late 2002, the Navy was directed by the Secretary of Defense to pursue a program that was more “transformational.” This involved incorporating all of the new technologies on the first ship, which caused DOD to make risky choices in the aircraft carrier program. We are living with the results of those choices now in the delayed deliveries and increased costs.

The Navy is not blameless in this process either. The Navy shares blame for failing to lay out potential off-ramps for risky technologies that did not mature in time to meet the underlying schedule. I believe that the Navy could have done this even within the parameters of “transformation.” While such off-ramps may not have prevented all of the problems we have faced, it would have at least given us better options when we had unpleasant discoveries during the development phase.

The Navy and the contractor share blame for starting construction of the ship before sufficient work had been completed on the design of the ship. History has shown that this inevitably leads to inefficient production, schedule delays, and cost increases.

Finally, Congress shares responsibility for having approved the Defense Department’s approach to acquiring these aircraft carriers. The only change in the program that the Congress insisted upon was instituting a legislated cost cap on the three ships in the program. While I think this cost cap has brought some better discipline to the program, it has not prevented cost and schedule problems.

I would note that both the Senate’s and House of Representatives’ version of the National Defense Authorization Act for Fiscal Year 2016 include making major changes in the acquisition law for DOD. While I support most of these proposed changes, changing acquisition rules will not alone prevent the kinds of problems we have seen on this aircraft carrier program.

I look forward hearing from these witnesses on this important program and about changes that have been made and can be made in the future to prevent the cost and schedule overruns that we see today. Thank you.