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July 1, 2011

The Honorable Ray Mabus Secretary of the Navy 2000 Navy Pentagon Washington, D.C. 20350-2000

Dear Mr. Secretary:

The Littoral Combat Ship (LCS) program has faced yet another setback in a long line of contracting, design, and testing failures. In a statement by the Navy on June 23, 2011, it was revealed that diver inspections and ultrasonic tests conducted on LCS 2, the USS Independence, "revealed aggressive galvanic corrosion pitting within all four of the water jet tunnels and water jet cone assemblies." This follows a March 18, 2011 report that LCS-1, the USS Freedom, had developed a crack in its hull during sea trials.

This would come as a surprise if the Government Accountability Office (GAO) had not previously warned Congress in 2007 that the Navy had moved forward on an ambitious schedule despite significant design stabilization problems. Their report warned that "construction work has been performed out of sequence and significant rework has been required, disrupting the optimal construction sequence and application of lessons learned for follow-on vessels in these programs..." In pushing a faulty design, blame falls squarely on the shoulders of the Navy.

In addition to rushing through design planning and testing, the cost of the vessel has doubled from \$220 million per copy to \$480 million. And now, in the President's FY12 Budget, we see an estimated end cost of \$537 million for LCS-1 and \$653 million for LCS-2. If these are the costs after a few years of design and testing, the history of Department of Defense procurement programs tells us we can expect these costs to continue to climb. Even more frustrating is the fact that we still do not know if these ships will ever be able to fulfill the intended missions when they were presented to Congress.

Instead of enacting proper oversight of this program and development of the ship design, the Navy was concerned with appeasing Congress and what has been referred to in Congressional hearings as "industrial base stabilization." While it is important to ensure that we have a viable industrial base, we must not make hasty decisions that are not fiscally and strategically sound. Regrettably, this has led to a toxic environment where the Navy needed to contract to build more ships at a faster rate despite major technical design flaws. Furthermore, Congress was just as complicit in this failed program when it approved the dual award acquisitions strategy knowing the risks identified by GAO.

Within the context of the current fiscal environment and with calls from both sides of the aisle to cut back on defense spending, it is critical that we are judicious with every tax dollar provided to the Department. Throughout the history of this program, the Navy has been over cost and has failed to meet its own deadlines. That being said, I strongly urge the Navy to immediately conduct a formal review of the entire LCS program, provide an assessment of the technical design flaws of the current fleet and determine the best way forward to include the possibility of rebidding this contract so that the program can be put back on a fiscally responsible path to procurement.

Thank you for your attention to this important matter. I look forward to your prompt response.

Sincerely,

Duncan Hunter

Member of Congress