Modly Doubts Future Budgets Will Allow for 355-Ship Fleet

The size of the current fleet, the high cost of new ships and the likely lack of growth in future budgets will make it difficult for the Navy to reach the current goal of a 355-ship battle fleet, the Navy's number two civilian leader said.

And that problem would be made even more difficult by the continuing resolution, which prevents starting new programs that could reduce costs, such as the proposed frigate, Navy Undersecretary Thomas Modly said Oct. 25, addressing a conference hosted by military reporters and editors.

Modly also expressed concern about the impact on "the warriors and families" of nearly 19 years of constant war and the fact that the U.S. has allowed its potential adversaries – particularly China and Russia – to erode the military advantage and gain global influence.

"We have to operationalize what does it means to be in great power competition," Modly said. And the U.S. will "have to take a page from our adversaries' play book" by learning how to conduct asymmetric operations, similar to Russia's seizure of Crimea without actual conflict, he said.

Modly went through the top 10 issues that keep him up at night, three of which dealt with the problem of buying and sustaining enough

ships to get the size fleet the U.S. Navy will need for the possible future conflicts. The effort to get from the current 290-ship force to the 355 goal faces “a math problem,” he said, because future defense budgets are not likely to grow enough to buy all those ships.

Modly conceded that Navy leaders were not sure that “355 is the right number” and would have a better view of that when the new force structure assessment is finished sometime next year. He also noted the high cost of overhauling ships, which frequently have more problems than expected.

Obtaining the needed fleet is made more difficult by the rising costs of ships and other programs, he said. “We have to figure out a way to drive down cost.” But he continued, “it’s going to be difficult to do that, particularly when the Navy is throwing so much of its assets into expensive platforms,” citing the $13 billion price tag on the new Gerald R. Ford aircraft carrier.

That is why the sea service is putting so much effort into lower-cost vessels, such as the littoral combat ships and the proposed guided missile frigate. But he said, the plan to award a contract on the frigate program could be “handicapped” because the continuing budget resolution prevents new starts. The CR “will have significant impact and not in a good way. I hope Congress will realize that it’s their job,” Modly said, to fund the government and will do it.

Modly was questioned about the strong criticism Navy Secretary Richard V. Spencer leveled this week on Huntington Ingalls for

the problems with the Ford carrier. He said the Navy has no tactic of attacking industry, but “we’re asking you guys to understand the frustration we have. We, the department, have a lot of responsibility for what went wrong with the Ford. What the secretary said was there has to be shared responsibility.”