

Deputy Assistant Secretary of the Navy (IP)/Navy IPO Newsletter

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My first five months as the new Deputy Assistant Secretary of the Navy (International Programs) have been hectic, informative and exhilarating. I have had the pleasure of meeting my service counterparts, senior industry representatives and senior foreign military and defense representatives. I am excited about working with this noteworthy cadre.

As the events of the past few years have shown, Coalition Warfare is, and will remain, a critical element of the U.S. military strategy and security cooperation. Crucial to our success in this strategy will be interoperability of specific capabilities and missions with our friends and allies. Coalition Warfare will require partners to use the same or compatible equipment, doctrine and training. We must integrate all three to meet the CNO’s goals for Sea Strike, Sea Shield, Sea Base, FORCE net, Sea Trial and Sea Enterprise.

The Navy International Programs Office (Navy IPO), in collaboration with other government agencies and industry, has the means and will play a significant role in implementing national security cooperation objectives and the CNO’s goals. Navy IPO is in the process of evaluating and developing a strategy that aligns with Secretary of Defense and CNO guidance. One of our goals is to develop long-range, proactive plans vice simply reacting to requests. To contribute to future naval requirements and help minimize future acquisition and life cycle costs, we will work with the Senior National Representative (SNR), OPNAV N3/N7. We will work with OPNAV N3/5 and Combatant Commanders to better meet regional security assistance needs. Finally, as directed in the recent Defense Acquisition System and Joint Capabilities and Development Systems directives, we shall assist in leveraging “international armaments cooperation to the maximum extent feasible, consistent with sound business practice and with the overall political, economic, technological and national security goals of the United States.”

The January Navy-Industry International Dialogue (NIID) is a recent example of bringing together the operators, industry, Program Managers, international partners and potential customers in a program that will meet future Navy requirements. For additional information on the NIID, I invite you to visit our website at <https://www.nipo.navy.mil>.

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NAVY INDUSTRY INTERNATIONAL DIALOGUE

JANUARY 14, 2004

The focus of the January 14th NIID was the Littoral Combat Ship program. The primary objectives were to advise that the Littoral Combat Ship Program Executive Officer actively welcomes foreign industry involvement in the ongoing program and in its future phases, and to inform US government offices responsible for acquisition programs, cooperative acquisition programs, and technology transfer of what is envisioned and seek their cooperation in implementing the program. U.S. and foreign industry, Washington Attaché and U.S. acquisition and technology transfer staff members participated. The NIID lasted about three hours, and was followed by a one-hour stand-up reception.



RADM Milliken speaking to the audience at the NIID.

RDML Milliken Deputy Assistant Secretary of the Navy (International Programs) spoke to the role and responsibilities of the Navy International Program Office in facilitating and structuring international involvement in the Littoral Combat Ship. Highlights included a review of IPO's recent contracting milestones and future opportunities. RADM Milliken's presentation entitled "Inquiring Minds Want To Know" as well as other all other presentations are located at: <https://www.nipo.navy.mil/NIID.cfm>.

VADM Balisle, Commander NAVSEA, provided remarks on the role he sees Littoral Combat Ships playing in the future of the U.S. Navy and coalition warfare. VADM Balisle's remarks are included in this issue of the Navy IPO Newsletter as a "Featured Article."

RDML Hamilton, Program Executive Officer for Ships, discussed Littoral Combat Ships sea frame design, core systems and the acquisition process. Highlights from his presentation included a brief overview of the experimentation efforts and modularity from the standpoint of ease of entry into the program by allied and friendly defense establishments. RDML Hamilton's presentation is entitled "Littoral Combat Ship Brief to NIID."

Mr. John Burrow, Program Executive Office, Integrated Warfare Support, described how LCS will fit into the US Navy's network centric framework and how that framework can accommodate navies from allied and friendly countries. Mr. Burrow's presentation is entitled "Navy-Industry International Dialog Littoral-Combat ship: The Network Centric Dimension."



RDML Hamilton speaking to the audience at the NIID.

RDML Morral, Program Executive Officer Littoral and Mine Warfare, described the Mission Module Concept and Acquisition offer date. RDML Morral's presentation is entitled "Littoral Combat Ship (LCS) Mission Modules."

RDML (Select) Spicer, Deputy Director, Surface Ships (CNO N76E), spoke about the overall Littoral Combat Ship Concept of Operations and the process used in developing the LCS Requirements Document. RDML (Select) Spicer's presentation is entitled "Littoral Combat Ship."

Mr. Jim Heller described the overall Littoral Combat Ship program structure, tasking, schedule, program status, and structure of the Program Request for Proposal. He also outlined past innovations in high-speed vessel design and lessons learned from those efforts. Mr. Heller's presentation is entitled "LCS Program Overview."

The NIID concluded with closing remarks from Mr. Gibson Leboeuf, Executive Director, Navy International Program Office. Following the NIID was a one-hour reception that allowed Navy, Attaché's, and Industry representation the opportunity to exchange views, discuss future objectives and build trust.

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Featured Article

VADM PHILLIP M. BALISLE REMARKS TO THE NAVY INDUSTRY INTERNATIONAL DIALOGUE (NIID) JANUARY 14, 2004



I'd like to thank the National Defense Industrial Association for hosting today's discussion on the role and contribution of the Littoral Combat Ship.

LCS is a transformational ship on many fronts. It promises significant, culture-altering changes in how we operate our warships and our naval forces and how we build and maintain our ships to meet the needs of a dynamic 21st Century operational environment.

LCS is a different kind of surface warship for a very dynamic, unprecedented operational environment. It is especially suited for the unpredictable nature of 21st Century warfare, characterized by a spectrum of warfare from a global war on terror employing a wide range of asymmetric threats to the more traditional conflicts of peer military forces.

If there is one thing to be said about how we will fight in the 21st Century, it is that we assuredly will not fight alone. Warfare, as sea, on land and in the air, will be increasingly joint and coalition. To successfully operate our militaries together and face our common global challenges, we need to capture our asymmetric advantages and pursue a mutually sound business approach if we are to effectively employ our leading technologies and industrial bases to shape a more responsive coalition force.

Innovative technology, however, is not enough. If we are to equip our navies with the flexible and interoperable tools needed, then we need to shorten production timelines and streamline acquisition processes, so that we can fully benefit from leading edge technologies. Engineering our combat systems around a common open computing architecture and planning upgraded technology insertion on a prudent basis through spiral development are essential to make interoperability practical on our ships and systems effective, yet affordable.

LCS will contribute to our 21st Century Navy in three principal ways:

First, it will provide unprecedented operational return on investment. Its foundation capability is the ability to employ a volume and lift at high speed and low cost to meet a

wide range of operational needs. Clearly this includes employment of versatile modular, remote-vehicle based mission packages to address warfighting requirements critical to the early stages of littoral campaigns: ASW, mine hunting and small boat defense.

LCS's volume and lift can also be flexibly employed to meet other mission requirements, such as logistics support and force movement in the sea base... and ... especially well-suited service as a maritime intercept ship – a critical function in a global war on terror. This is extreme return on investment by any measure and may well serve as model for future warships.

Second, LCS is serving to invigorate and shape the shipbuilding industry, especially with respect to how warships are constructed. We are already seeing this as industry is assembling multi-faceted teams of ship builders and technology specialists to create innovative ships, leveraging composite materials, alternative metals, avionics, and a wide range of commercial technologies.

It is also significant that industry is approaching this new demand with the scope wide-open to the advantages offered by the international community, in terms of partnership, technology and experience.

This approach applies to developing and acquiring the LCS mission package as well as the ship. Constructing and evolving the mission package modules, sensors, and weapons external to the ship offers unprecedented opportunity for small business and technology houses, nationally and internationally, to participate in LCS development and life cycle evolution.

Third, LCS is serving as a catalyst and venue for reshaping our ship acquisition process. To fully gain the asymmetric advantages offered by rapidly evolving technologies, it is imperative we shorten our acquisition process, especially the time to transition from rapid prototype to production.

It also means we must have the courage to take reasonable, calculated risks and to deviate from traditional acquisition timelines and milestones when it makes sense. For example, some have questioned the wisdom of proceeding with an LCS shipbuilding program without conducting traditional analyses of alternatives and other such studies. But look at the origin of LCS. For over a decade, since Desert Storm, every Battle Group Commander deploying to the littoral environment of the Arabian Gulf has returned to brief Navy leadership on requirements and lessons learned.

These are among a full range of mission and force security demands in the littorals of the world that have extended from the high-threat terrorist environment following the USS Cole attack in Yemen port waters to actual combat support and non-combatant evacuation operations off the coasts of Africa and the Balkans to combat scenarios in operations like Desert Fox. The lessons have been extensive, repeatable, and proven in the most demanding analytical arenas...the actual operational environment.

It was based on this feedback that our Navy was able to prepare the fleet to be able to respond so effectively in Operation Iraqi Freedom. Likewise, these same operational experiences have provided a clear understanding of the requirements for the mobility of LCS, far better I suggest, than any traditional AOA could.

Additionally, breaking our surface combatant shipbuilding paradigm by programmatically and budgetarily separating the ship and its mission package reduces program risk while adding significant opportunities to cost effectively evolve mission package capabilities. For all these reasons, LCS, in its own right, is a most important shipbuilding program especially when considering the operational and ship development synergies it offers. In every one of these capacities, LCS will complement DD(X) and CVN-21 as, they, in turn, will complement it.

Likewise, LCS also has the potential to serve as complementary ship for the Coast Guard's core Deep Water ships, bringing practical reality to the vision and programmatic advantages of a National Fleet.

LCS, both as an innovative, versatile ship and as a model shipbuilding approach for selected high ROI surface combatants is also a viable program for International consideration. It is through employment of such ships that we collectively reduce shipbuilding and life cycle costs, reduce manpower requirements and enhance coalition interoperability opportunities.

That enhancement will only come if we engineer jointly, leveraging the opportunities in our combined industrial bases. Initiative, such as the International Cooperation Opportunities Group (ICOG), which RDML Mark Milliken mentioned, are accelerating our advantages in the building of LCS, and more so, strengthening our synergy of force.

When we leverage these advantages across joint and coalition boundaries in the engineering and development of our ships and systems, such as LCS, to meet national and international objectives, we also make that synergy of force stronger yet.

Forward leaning, affordable, dynamic, the Littoral Combat Ship is symbolic of the naval warfare transformation we are all experiencing. More so, it is a venue to take us there and beyond in this century.

In the global war on terrorism, demand for coalition response is greater than ever. The necessity to combat the enemy on all fronts and as shipmates in arms is, without question, absolutely essential to sustaining free sea-lanes of commerce and secure coastlines around the world. Of course, LCS, as a ship or as a model for innovative ship development, would be marginalized in its benefit if we were not to in fact communicate with each other about what offers...our governments and our industries. I think the NDIA again for the opportunity to engage in this discussion today as we all work together to meet our challenges in a dynamic time.

Thank you

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WHATS NEXT?

The Navy-Industry International Dialog (NIID) scheduled for May 18, 2004 will discuss Command, Control, Communication, and Computer Intelligence Surveillance Reconnaissance (C4ISR) in the broader context of Coalition Warfare. Speakers have been invited from the following organizations: OSD, The Office of the Secretary of Defense, Department of the Navy, Army CECOM, and Secretary of the Air force, International Affairs. The presentations and discussions will focus on which aspects of C4ISR transfer the Navy administers, how Navy IPO interfaces with OSD and the other Services, and the Department of Defense's position on the importance of C4ISR in coalition Warfare. At the January 14, 2004 NIID there was an unprecedented number of attendees. Unfortunately there were some people who had to be turned away at the door because they had not pre-registered for this event. Please don't let this happen to you. Reserve your seat today for the next NIID by going to <http://register.ndia.org/interview/register.ndia?~Brochure~4201>

PERFORMANCE BASED COSTING (PBC) SUSTAINMENT PHASE

The PBC system greets the New Year in a new phase. The new Program Element (PE) structure for POM-06 is linked to the activities in each international program command's activity dictionaries. This will provide a capability to assess the labor and non-labor costs against the PE targets established in programs and budgets. Reporting and analysis of costs will occur as the various PBC models mature and to support various business process improvements.

POM 05-07 and POM 06 Update

DSCA released its inaugural POM 05-07 Program Decision Memorandum (PDM) on 14 November 2003. This PDM established FMS and FMF Administrative Fund baseline budgets for all military departments and defense agencies involved in FMS sales or support. The DON/USMC/USCG "topline" target was established at \$58.192M, which represents slightly more than a baseline + inflation increase from previous non-POM year levels. Targets by Program Element were given to all budget submitting offices in early January. The FMS and FMF FY 05-06 admin budgets will be formulated in the Spring-Summer of 2004. POM - 06 - 08 will ask for changes to our baseline. The programming guidance was issued in early March and Navy IPO will host a Programming conference in late March to discuss the corporate approach to the POM and future year funding.

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[INTERNATIONAL ACTIVITIES DATA BASE](#)

Navy IPO, in conjunction with several other DoN offices, has established an International Activities Data Base. The purpose of this database is to display in one place the results of various international activities being undertaken by DoN offices. Although Navy IPO is considered the one-stop-shop for international acquisition issues, there are other DoN offices engaged in international activities for example, Navy IPO is the expert on FMS and MOUs, N3/N5 is the expert on Navy-to-Navy staff talks, ONI knows about intelligence agreements, etc. Establishing this database will enable a Navy employee to see the total picture instead of having to search for different international programs and perspectives from different DoN offices.



To understand exactly what is in the IADB, a picture (i.e. screen shot) is worth a thousand words. At the left hand side of the screen below you will see a Navigation box organized by Region then by country. When one clicks on a given country, he will see folders for N3/N5, Navy IPO, ONI, ONR and the SNR. Shown in

this particular screen shot is the IPO folder/page. As can be seen, links are provided for:

- The Director's biography
- The Country Summary Paper
- FMS sales profiles
- Listings of MOUs and DEAs (For DEAs, one can select one out of the list and download the full text of the Annex)
- The National Air & Space Intelligence Center
- The National Ground Intelligence Center
- National Maritime Intelligence Center
- CIA 2003 Factbook

The second screen shot shows international activities of the office of the Deputy Chief of Naval Operations (Plans, Policy, & Operations), N3/N5.

The N3/N5 page shows their international activities and engagements on international operational issues including Navy to Navy Staff Talks and country mission capability assessments based on SEAPOWER 21 (i.e., Sea Strike, Sea Shield, Sea Basing, Force Net). The "ISS 3x5 Card" and the "ISS 5x8 Card" icons refer to background research done in preparation for the 2003 International Seapower Symposium. These cards documented pressing naval acquisition and operational issues for the 135 countries attending the symposium. Also available are various naval capability analyses.

Additional links (which are not visible unless one scrolls down the page) include a Political-Military Summary, Summary of the Navy-to-Navy Staff Talks, and Backgrounder for the CNO counterpart visit, etc.

One thing that is unique about this website is that items are not loaded centrally. N3/N5 loads documents into its own folder, IPO loads documents onto its folders, etc. The program enables one to have editing rights to one folder and read-only rights to others.



Note at the top of the screen, you will see a tab for upcoming events, and one for Security Cooperation Guidance (e.g. Maritime Security Cooperation Guidance, Sea Power 21, National Security Strategy, and DoD Security Cooperation Guidance).

It should be pretty clear now how you can see country activities from about every angle – and you can do it with a click of your mouse from anywhere

in the world. Here is what you need:

- A SIPRNET terminal
- the SIPRNET web address
- A user ID
- A user Password

IPO can't help with the first but, given that you have the right clearances and need-to-know, we can provide the remaining three items. Email Bill Keziah or Stan Hicks at IPO and we will be glad to add you. Better yet, be an information contributor as well as a IADB reader.