



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

DEC 10 2014

MEMORANDUM FOR SECRETARY OF THE NAVY
CHIEF OF NAVAL OPERATIONS

SUBJECT: Littoral Combat Ship Program Way Ahead

I want to thank you and your staff for the timely, thorough, and professional work conducted in response to my memorandum from February 24, 2014, which directed you to submit to me alternate proposals for a capable small surface combatant that is more lethal and survivable than the current Flight 0+ Littoral Combat Ship (LCS) now in serial production. After giving careful thought to your briefing on options, I approve your plan to procure a small surface combatant (SSC) based on an upgraded Flight 0+ LCS, and direct the following actions to be taken:

- Develop an Acquisition Strategy to support design and procurement of new SSCs no later than Fiscal Year 2019 (FY19), and sooner if possible. Provide this Acquisition Strategy to the USD(AT&L) for review and approval no later than May 1, 2015. As this strategy is developed, the Navy should continue to identify further opportunities to increase ship survivability and lethality as it proceeds to the next phase of SSC design. Competition for the SSC should be sustained to the maximum extent possible within available resources.
- Provide the Director, CAPE and USD(AT&L) with a Service Cost Position in support of the FY17 POM submission and provide the USD(AT&L) with your plan for controlling overall program cost. Cost control should be a major emphasis of the program. I am particularly interested in ensuring that the Navy addresses operations and support (O&S) cost projections, and takes actions to reduce them.
- Provide to me no later than May 1, 2015, an assessment of the cost and feasibility of back-fitting SSC survivability and lethality enhancements on earlier Flight 0+ LCSs already under contract, as well as those built before production of new SSCs commences. The intent should be to improve the lethality and survivability of Flight 0+ ships as much as practical. Your assessment should be coordinated with Deputy Secretary Work, USD (AT&L), and Director, CAPE.

Your strategy, plans, and assessments should assume a total buy of up to 52 Flight 0+ LCSs and SSCs, with the final number and mix procured dependent on future fleet requirements, final procurement and O&S costs, and overall Department of the Navy resources.

By executing the above guidance, I am confident we will procure the most lethal, survivable and capable small surface combatant given our available resources.

Thank you and the men and women of the world's finest Navy for your daily efforts to defend this Nation.

A handwritten signature in blue ink, appearing to read "Mark W. Smith", with a long horizontal stroke extending from the end.

cc:

Deputy Secretary of Defense
Chairman of the Joint Chiefs of Staff
Under Secretary of Defense for Acquisition,
Technology and Logistics
Director, Cost Assessment and Program Evaluation
Director, Operational Test and Evaluation