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FEBRUARY 13, 1976

Office of the White House Press Secretary

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THE WHITE HOUSETEXT OF A LETTER FROM THE  
PRESIDENT TO THE SPEAKER OF THE  
HOUSE OF REPRESENTATIVES  
AND THE PRESIDENT OF THE SENATE

Dear Mr. Speaker: (Dear Mr. President:)

In developing the budget for FY 1977, the Navy and the Secretary of Defense have reviewed the requirements for surface combatants and recommended a program to me. I approve that program. In approving that program, it was clearly understood that, on a ship for ship basis, a nuclear powered ship is superior in some respects to a conventionally powered one with equivalent sensors and weapons. The major issue with nuclear power concerns whether the added military benefits are worth the extra costs involved, particularly when those costs force reductions in numbers of ships or in the funding requirements of other important programs. Other concerns include the limited shipyard capacity available and extended lead time required to build nuclear powered ships. We have arrested the decline in the numerical size of the Navy, and my program (a mix of conventional and nuclear powered ships) will help to increase the number of ships in the Navy.

In view of the urgent need for increased anti-air warfare capability, we want to introduce and rapidly build up the number of ships equipped with the AEGIS area air defense weapon system. Due to the much greater cost and the later delivery date of the nuclear AEGIS ship, I believe it is in the national interest, taking into account fiscal constraints, to pursue a balanced program of nuclear and non-nuclear AEGIS ships. Therefore, I have included funding in my FY 1977 budget for a conventionally powered ship equipped with the AEGIS missile system. Since FY 1978 is the earliest that a nuclear vessel can be efficiently procured, I am also requesting advance procurement funds for the first nuclear powered AEGIS cruiser, with the balance of funding for this ship in FY 1978. Because the non-nuclear ship is less expensive and because it can be at sea almost two years before the nuclear powered AEGIS ship, I believe we should proceed with the conventionally powered ship first.

In compliance with Title VIII of P.L. 93-365, I have attached to this letter an enclosure with the design, cost and schedule of my proposed program and an alternative all nuclear program. As shown in the enclosure, at a cost of \$1.7 billion less through 1981, my program would provide 3 more ships for the fleet.

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(OVER)

If the all nuclear option is selected, either the Congress must provide more money for shipbuilding or the total number of ships in the force will further decline. The fewer number of AEGIS ships resulting from the all nuclear option will also delay achievement of a critical need for improving our force wide fleet air defense capability.

The Secretary of Defense will provide further detail to the appropriate Committee Chairman concerning this surface ship procurement program.

Sincerely,

GERALD R. FORD

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## SHIP DESIGN, COST, AND SCHEDULE

Significant Design Characteristics

	<u>Nuclear</u>	<u>Conventional</u>
Length, Water Line	660 feet	529 feet
Beam	77 feet	55 feet
Draft	22 feet	20.4 feet
Displacement	17,210 tons	9,055 tons
Propulsion	Upgraded D2G Nuclear Reactors	4 Gas Turbines
Endurance	Unlimited	6,000 n.m.
Speed	30 knots	30 knots
Manning	572	316
Missile Launchers	MK 26 Mod 2 Canister (HARPOON) Canister (SLCM)	MK 26 Mod 1 Canister (HARPOON)
Missile Fire Control	AEGIS MK 7 Mod 2	AEGIS MK 7 Mod 3
ASW Sonar	SQS-53	SQS-53
Radars		
2 Dimensional	SPS-49	SPS-49
3 Dimensional	SPY-1	SPY-1

Program Cost  
(\$ in Millions)

	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
	<u>Qty Cost</u>	<u>Qty Cost</u>	<u>Qty Cost</u>	<u>Qty Cost</u>	<u>Qty Cost</u>
<u>Conventional/ Nuclear Program</u>					
Conventional	1 858	- -	2 1,100	3 1,729	2 1,209
Nuclear	- 170	1 1,201	- 76	- 125	1 980
Total	1 1,028	1 1,201	2 1,176	3 1,854	3 2,189
All Nuclear Option	- 302	1 1,612	2 2,340	2 2,382	2 2,492
All Nuclear Option Cost Difference (cumulative)	-726	-315	+849	+1,377	+1,680

Ship Deliveries

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
<u>Conventional/ Nuclear Program</u>					
Conventional	(1)	(1)	(2)	(2)	(2)
Nuclear	--	--	(1)	(1)	--
Total	1	1	3	3	2
All Nuclear Option	--	--	3	2	2
All Nuclear Option Delivery Difference (cumulative)	-1	-2	-2	-3	-3

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