

**Chief of Naval Operations  
Adm. Jonathan Greenert delivers remarks at  
SNA  
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Thank you very much for having me here today. It's marvelous. What a difference a year makes, huh?

Listen, I'm going to talk a little bit about the landscape, how things are kind of going here. Take a little bit of a sit rep, some challenges I want to throw out there, because what we have here is a partnership, right? It's the active duty. Some of the GAOs are with the gray beards. I know some of you gray beards. We used to be friends and all that. I'm a little nervous when I see some of the GAOs, what things are going to come out.

But anyway, we'll go through a little of the challenges, things we need to work together.

Again, what a difference a year makes. One year ago it was like \$100 billion of overhead and we could reinvest that and then we were scrambling to take another \$70-some billion out. That was done on a fourth estate. I don't even know what that is, but that meant not the Navy. I said that's good. Not the services. I thought this is wonderful. If you're a programmer or a budgeter, you always want to try to grab stuff out of the overhead and reinvest it. So here we are today. Our budget changed quite a bit. All year long, anxiety built here. I'm sitting up there as the Vice Chief. We start working on \$200 billion, \$250, and \$300. It's going up, \$400 billion. Put together the POM and I said man, I'm glad I'm getting out of here; this is going to really suck. . So then things changed a little bit and we're \$480 billion over ten years, built the budget, got it wrapped up here, \$261 billion over the FYDP and sequestration is looming. What a year.

So as it got to be around August and reality was setting in, I said I'm not going to try to predict the outcome of POM '13 and Congress and the year ahead. I'm going to look past, MCPON used to say, the prop wash. If we look past the prop wash on that first year's budget. So I said I'll get together a diverse and disparate transition team. So I said well, I need somebody who will challenge me and is a little off, so I got Rick Hunt, and he came to lead the team. He did a wonderful job. Ann Phillips, Tom Rodin, Willy Hellardis. All this stuff and you've got Willy over here. Willy. We sat down and looked at what are the priorities, what are the tenets, what should we do to get by this prop wash? What will matter the most, no matter what our Navy's going to look like, what is important? And focus on the enduring business because we need our Sailors, we need the board room and we need the ward room and the ready room. Focus in on what's going to matter regardless of how this all comes out. So we did that.

We published Sailing Directions. Most of you have read it, I think. If not there's a free copy in the back. We've got a lot of extras. A lot of them out there going around.

We had three priorities. We searched and searched. What should the priorities -- It came back to the same priorities that Gary Roughead had, Mike Mullen, and Vern Clark. That was be ready to meet today's challenges today. That's what we've got to do. We can't be hollow. We've got to get that done today. We've got to build a relevant force of the future, capable fleet. We've got to take care of the sailors and families and civilians and build that next force of the future, those personnel that are motivated like we have today, that are relevant, match the skill sets of the future. And they have to be diverse. We have to go where the talent is. That's where it is. It's out there in the diversity of our great nation.

But again, from the board room to the ward room, how do we want to focus on things? When people make decisions, when the COs get together in a ward room and think through this thing, when I'm sitting up there doing an CNO's executive board, how do we think things through?

Number one, warfighting has got to be first. We came to that conclusion. That has to be there. If we are not ready to fight and win today, that's how we'll be judged. We have to be able to do that.

Two, we've got to operate forward, and I'll talk a little bit about that, what I mean by that. Because this Navy of ours is at its best when it is underway, when it is out there, operating forward, our job, as I mentioned before, is to deter, defeat and be able to respond. We have the offshore option that we provide this country. The key principles are we operate from bases. We need places forward. We need to be where the maritime cross roads are because that's what keeps the world economy rich and moving along.

Lastly, we've got to be ready and that doesn't just mean we've got to have parts. It does mean that, but there's more. More than parts, more than gas, more than getting the maintenance done. It's beyond operational availability. It's about being capable to do the missions that you're assigned, as I said in the first priority, today. We're able to do that. We have a whole combat system and that we organize, train and equip and man to do that. So warfighting's first. We're going to operate forward and we have to be ready.

A little bit about that. If you can put the first slide up?

We looked around the world and we said okay, where are the maritime cross roads out there? I laid that down. We got together and laid that down. They're indicated here by these things. If you're an engineering major, the bow symbol; if you're an English major, that's a bow tie. I had a guy this morning say I was an English major and went Nuke. So I absolutely got it. So this was wonderful how this worked.

But look, the Panama Canal is going to be widened in the not too distant future. What does that mean to the Caribbean? I don't know. One thing I do know, we need a place down there that we have to sustain, and that's Guantanamo. And certainly the people in this room understand the value of Guantanamo Bay with its deep water port and with the airfield down there.

As you go over towards Europe, as you well know we've been invited and we're going to take them up on putting four DDGs in Rota. Out there in the future. Rota is a place for us.

You go into the Mediterranean, you've got Souda Bay, Sigonella and Naples. Places in the Mediterranean.

Suez Canal, very important. Go down here to Djibouti. The Commandant of the Marine Corps and I sat down with the last two Amphibious Ready Group Marine Expeditionary Unit briefings, came in and they said if it wasn't for that airhead in Djibouti and that port, we'd have been in trouble. We had so many ops going on down here and up here in the Gulf of Aden that it was very helpful having that there. So Djibouti is a place.

Of course the Strait of Hormuz. Of course Bahrain as a place to operate forward in the future. A place.

Diego Garcia is more than SSGNs. We want there. They do that now. But the Japanese Maritime Self Defense Force is interested in moving up through there, and we're interested in facilitating them to do that.

The Strait of Malacca, obviously very important. Singapore, the country of Singapore has offered us the opportunity to forward base some littoral combat ships, I should say operate from Singapore littoral combat ships in the future. And put the infrastructure in place to enable us to do the mission package change out there. A great opportunity down here in Southeast Asia.

And Darwin. You may have read about the fact that the President and the Prime Minister of Australia briefed that we will work to rotationally deploy Marines out of Darwin. But there's more. In conversations with the Australians, there are airheads and naval bases in and around that entire northern and western region where the Australians are interested in having a conversation to decide what may be the art of the possible there. So a place. Darwin.

I don't have a place up there with the Philippines, but we have been doing maritime domain awareness flights out of Clark Air Base. Gold old Clark Air Base, monthly, out in the Western Pacific. There may be some opportunities to do some more activity in and around the Philippines with the Philippine armed forces.

Of course Okinawa, of course Yokosuka, Atsugi, Sasebo, Misawa, and Iwakuni in Japan in our future. We deploy out of Guam, it's a base. We deploy out of Hawaii, it's a base. You can see the other bases listed here.

I've laid up here for you ships and what this represents, in the morning I go to work, I get in this dark SUV with a smoked window and I can't see out, you can't see in, so that's how you look at your Blackberry and your book. So I've been doing that. I can take a look at the Blackberry, so I've started actually looking at the book that they gave me in the morning, and I noticed through the weeks that we go through where the Navy is distributed. What you see up here is probably within about 10 percent where our ships are located.

So to do the math, you've got 285 ships in the Navy, give or take one or two, although in the period I've been here as CNO we've got about 100 deployed on any given day. And so you can see real easy, if the denominator is 100, the percentage of where they are. That's where we're distributed today. These are both coasts, for what that's worth here, and this is about what we have, it varies a little bit, on the cycle, it depends on the fleet response deployed in the future.

That's the laydown today. I would tell you as I look out there, this resonates pretty well with the Defense Planning Guidance that we have. The Defense Strategic Guidance. And as you look over the next few years, some folks say how is that going to change? It's not going to change dramatically where our focus is. There's not going to be a big swing over the next couple of years that I see right away. This is about right.

About half the ships in the Western Pacific are forward deployed naval forces, they're out there permanently. They're high end. It's the best air wing we have. The best ordnance, the best ASW equipment, the best lot of strike fighters and those cruisers and destroyers are about the best we have. They're probably the best maintained and most ready forces out in the Western Pacific.

We are ready for this defense strategic guidance and this plan, ready to operate forward.

So shortly after I took the watch I said well, I better get out of here before all these budget deliberations, so within the first week we went over to see where I thought it really mattered, we visited Japan, then went to Korea and went to Bahrain. Japan I think is our primary partner clearly in the Western Pacific, and very very key to the security out there.

So a few take-aways, sitting down with my counterpart, who interestingly enough is a surface warfare officer, who interestingly enough when I was out there as the 7<sup>th</sup> Fleet Commander ran the submarine force. How about that? . He did a pretty good job, too. But don't be getting any ideas. . But he said, we agreed on a couple of things. One, we operate in the South China Sea. That's what we're about. We're going to go do it together with the ROKs, the ROK Navy, the South Korean Navy when they're ready, and we need a common set of protocols of approach there among our two navies. In

other words, if there's interactions, there will be some chit-chat there between us and maybe the PLAN, what is the method by which we will communicate? What is the consistency of that method? So that we are together operating in synch among ourselves and with the PLAN.

The JMSDF thinks they're going to be moving into the South China Sea and Southeast Asia independently. Establishing their own relationships. They've done it predominantly through us up to this timeframe and they feel pretty comfortable about getting out from just the area in and around Japan. In fact they have kind of reoriented what they view their area of concern, from just in and around Japan to Northeast Asia, Southeast Asia, South Asia, and the Mideast. So it's gotten kind of big. Some call it the banana. It kind of runs a swath through here. That is their new area of concern.

So we agreed to continue information sharing and for those of you that are familiar with that, it's very dramatic, very high end. We share a lot. We are co-located now in many of our headquarters around Yokosuka and up there at Atsugi in what we do.

The effects of the tsunami and the nuclear incident that took place after that have receded quite a bit and things are getting pretty much back to normal. What I saw in Yokosuka on the base among our folks as well as in the relationship.

Admiral Sugimodo said you know, we consider you no longer guests here in Japan. You are neighbors now. That's a big move in that culture to move from that area. That's a little bit about that relationship.

Over to Korea they are very much concerned about North Korea provocation and their response. The Korean Navy is very much into littoral ASW right now because of the Cheonan incident that took place and the loss of that ship. We were working on helping them look into ASW and do a deep diver with the processes or systems, things of that nature, and it has changed the way they've come about what they want to order, what they want to buy. They're were moving very little water up until shortly before this point, and now they've got to make sure they're comfortable with their internal features in and around the littorals . But make no mistake, they are an emerging partner in ballistic missile defense with their KEX-2 and they will continue to be so.

I went to Bahrain after that. The Arab Spring is not over from what I saw there. It is kind of quiet but strained. We, as you probably know, have taken some diplomatic action. It's really a matter of our respective State Department and Ministry of Interior there. How we see things from mil-to-mil engagement, some foreign military sales. But overall, committed to the relationship. Bahrain is important. We don't really have a Plan B in that area of the world right now beyond Bahrain with NAVCENT. They have a Bahraini independent commission that's inquiring into the outcome of those deliberations for the commissions of the court. I think that is a good start and that will hopefully help clear this issue up over there and we can really move on from there.

While I was there I went out to the John Stennis, a great ship, doing a great job. Some of you may have read about what they did with the pirates, the Iranians, and helping the Iranians out, getting their release. If you haven't you ought to go back and read it in the New York Times. Isn't it amazing how this works? We've got a team of New York Times reporters embedded on board. They say hey, it's time to wake up what's his name, who was not feeling well after his morning flight, and they said hey, you've got to go up there and do a familiarization ride on a helicopter. He said okay. They get him on the helicopter and this thing just kind of unfolds. Next thing you know they're on the dhow with a lieutenant JG, service warfare officer running the show overnight, the pirates and Iranians on a dhow. Showing what our people do, our sailors, left to their own devices. Did magnificent work. Read the articles in the New York Times.

So I learned. My ride on the Stennis through the Strait of Hormuz. It was a wonderful clear day, one of the best days they say they'd had. Of course that's because I was there. . But seriously, environmentally. I got an Iranian Naval Review. It was wonderful. . , small boats, large boats, Corvettes, F-27s flying over, an old P-3 that went over there. You would have been proud. . I didn't see that F-14, though. .

It gives you the picture. When we talk about the constraints that our people are operating under, it helped me set in my mind the kind of things I thought we needed to do when I got back. So we made some movements in the budget in the area of mine warfare, defense of ASW and others that I thought were necessary and so we took that on.

The folks are doing a good job over there.

The transition team and I come back. We finish. We come into the staff looking things over, and I thought I'd share some of the challenges that I think will be with me at least during my tenure and some things that those of you in industry and those of you that are active will be working on.

One is what I call payload versus platform. In the A2AD environment, stealth and platforms, stealthy platforms have a limit. I think as we go into the late teens and into the 20s, and this is really not about the F-35 which we should be behind - we need that fifth generation strike fighter. But as you look out there we need to look at is it worth investing in the payload, the standoff weapon and what it can bring given its stealth and what it can do to a potential adversary versus the platform. That's in all the domains.

As we think about the next destroyer, the DDG-51 replacement, we ought to consider a common haul. Modularity from our sensors perspective, our weapons perspective, and combat systems. We will press ahead with unmanned aerial systems. I'm very excited in the fact that N-CAS will be demonstrated. It looks like that demonstration is running on time. The 13<sup>th</sup>. Moving on the UCLASS, Unmanned Carrier Landing Attack System.

Cyberspace. We've been out to see CYBERCOM a few times. If you haven't been there you need to go out there and see our Fleet CYBERCOM people. You'll get a good picture of the maritime ops center in a fleet that is about networks and how they are laying down across our networks where you might see if you went to 6<sup>th</sup> Fleet, 7<sup>th</sup> Fleet, 5<sup>th</sup> Fleet, where we look at ships and aircraft in units. They're laying down a common operational picture. What does the normal series of networks look like and when are we being potentially intruded upon, an attack, and how do we deal with that?

They are talking in warfare terms. They have the kind of ConOps that we're getting used to. We are moving ahead in that direction. They're doing a magnificent job with Keith Alexander, he's very complementary. So cyber warfare, treating it like a warfare capability and moving ahead in that direction as well as the community is something we'll be working right.

It's very clear in the Defense Strategic Guidance that we need to continue to dominate the undersea domain. Our investments will speak to that. Our operations will speak to that. And I'm very comfortable that we can continue to do that.

As we look at the Defense Strategic Guidance that's been out there and we study what it tells us we'll lay down the capabilities that are called for in there, we'll evaluate the force structure associated, the ships, the aircraft, and from there we'll look at what do we need for a ship inventory in the future. I told you in the near term I'm very comfortable. What do we need in the future? What does our ship-building plan say? Where are we from there? We'll lay that down. We're doing another force structure assessment and I expect that out here in the spring as we move ahead.

I've spoken to operate forward. We need innovative ways to do it. We need to move ahead in Rota. We need to move ahead as we prepare for the Singaporean issue. We need to move ahead as we prepare to take our little combat ships into the Gulf, into places. We need to think innovative, and we're going to say a swear word to some of you, sea swap, okay? We need to look at sea swap again and look at rotational crewing and see what does that get us, how hard is it? It's much more complicated than it even used to be, but we need to unveil that. We've been asked to do that by the Secretary of Defense staff, so we will do that.

Where can industry and Navy work together as we look out ahead? Let me give you a couple of ideas, and I'd be happy to take your questions.

Shipbuilding. Wanna help us out? Let's get the ships that are under construction to the fleet. We've been moving, the submarine part of that. We've got about 15 percent of our ships are late. We really need to get them out. We really need them. The reason we need them is because the ships that we're running now are getting expensive. They're running past the life that we intended to have them, they're going to cost even more. Very important.

Ship repair and maintenance. Let's get the ships that go into repair, which you do, back to the fleet. We'll work with you on that. We'll keep to the shipbuilding plans as much as we can, but we've got to reach the expected service life and that's where that maintenance comes from.

I believe in and will support the surface ship readiness initiatives. I think they're really good. Jim Mcmanaman did a magnificent job and Kevin McCoy's going to talk about this I think on Thursday.

The fact is in FY10 and FY11 combined we put \$2 billion into ship maintenance after the program's gone out. So each year about a \$6 billion budget, that's a billion a year. Most of that, a lot of that went into surface ship maintenance. So we should be getting some results pretty soon and I look forward to it.

I'm very interested in getting in speed to fleet. This is something that Admiral Roughead initiated and was pushing. I thought it was a great idea, it made sense, and we've made some headway in this. We've made some headway with Fire Scout. We've made some headway bringing the Freedom out and getting her out into SOUTHCOM and other areas. We've made headway in other areas. So we've got to continue to push. An anti-torpedo torpedo is needed. We need to push that.

Unmanned underwater vehicles, especially autonomous, that can go out and search an area out in both mine warfare and as an ASW sensor, very much needed.

Electronic attack, electronic warfare. In many areas, in some areas the probability of kill is zero and so if it's only 15 percent, that's pretty good when you look at zero. So we need to look for opportunities to take engineering design modules out there, for example, and go ahead and get those tested. I will support that.

Lastly, the industrial base. As we work through this period the budget deliberation, as we work in dealing with that large number, we look hard at the industrial base. I'm comfortable with the situation that we have, but we need to look at this carefully.

A lot of people say well that's shipbuilding. It is shipbuilding, but it's also weapons and it's also sensors. Understand some of the key areas like nuclear components that many many, a high percentage of our nuclear components are sole source and they need a volume to keep them going. And if we lose some of those we lose something that will be very very difficult to reconstitute.

So I think we're on a good course initially. I'm satisfied. The Defense Strategic Guidance is out and I think you'll see, if you haven't already when you see our budget compared to that, the value of the Navy is well recognized.

Thank you very much for listening. I'm happy to take your questions. Thanks again.

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