

**Chief of Naval Operations (CNO)
Admiral Gary Roughead delivers remarks at
The World Affairs Council and Marine's Memorial Association co-
sponsored George P. Shultz Lecture Series
The Marine's Memorial Club
San Francisco
February 16, 2011**

Thank you Mr. Secretary [Shultz]. Its great to be back in San Francisco.; a city whose history is interwoven with the history of the United States Navy. And it is also good to be here at the Marine's Memorial Club. Ellen and I have the opportunity to visit many places and to stay at many places, but Mike [Myatt], I have to tell you, we never feel as warmly welcomed anywhere like when we return here and I applaud you for everything that you have done, so thank you.

Just a couple of notes: After we got Arleigh Burke (dog), Ellen modified the name, he's now "Arleigh Burke the Destroyer." But he is settling down.

But it really is a particular honor for me to be able to be invited to be part of the lecture series named after you, Mr. Secretary, because everything that you have done, your leadership, your service to our country has put us in a position that allows us to be a nation, and as we say a Navy, that truly is a Global Force for Good.

I would also like to thank Secretary Perry. I was a young Captain when he was the Secretary of Defense and I can tell you that at all ranks, our respect for your leadership of the Department [of Defense] was truly extraordinary and I thank you for your service as well, Sir.

I'd also like to thank and recognize another group of people here tonight. They really are truly special. They are the Blue Star Mothers. They are here tonight because tomorrow, here at the Marine's Memorial Club, they will begin a multiple-day program where they will bring in the Gold Star Families to honor them, to be with them, and to show their respect for them. So the Blue Star Mothers, would you please stand. Thank you for what you do, for your leadership and your service, but I would also say for your courage. Because you have sons and daughters who are in harms way and I thank you for the time that you give for the concern that I know is in your hearts and minds remains.

Tonight I think I would like to just spend some time to speak frankly about our Navy. As an institution and as a major contributor to the agile power the U.S. will need to employ in world affairs today and in the future. I'll talk for a bit, but what I really enjoy is the opportunity to engage in a discussion with you and your questions.

We are recently reminded that our security and economic environments are changing and are challenging to say the least. But in that change and in that challenge, I see growing opportunity for American sea power to contribute to national objectives in development,

diplomacy, and in defense. In the President's National Security Strategy, he stated that a just and sustainable international order will be the indispensable factor in global prosperity and peace. It's a sentiment that he reinforced in India last year and again with President Hu of China just last month.

I agree with that proposition and I routinely concern myself with it as the Chief of Naval Operations, because at the end of the day, the benefits that we derive from a globalized world stem from that which moves on the world's oceans whether it's tangible goods, resources, or the electrons that facilitate the exchange of ideas and constitute the basic building blocks for commercial transaction in a digital age.

But international order may be increasingly seen as prone to disruption at a time of unprecedented interconnectedness and even disorder as prevailing trends seem only to diminish the prospects of greater peace and prosperity than we enjoyed yesterday.

What we projected in our maritime strategy that we issued more than three years ago, the Navy, Marine Corps and Coast Guard issued it collectively, what we projected is coming to pass. And just a quick scan of the horizon shows the stakes are high. Developments in Egypt are still evolving, where an orderly transition in that important country is so important; after a long season of dangerous provocations on the Korean peninsula, a meaningful return to leadership talks between North and South has yet to gain traction; meanwhile, international talks with Iran on its nuclear program ended last month without any headway and international sanctions continue; and the budget debate in Washington certainly reflects our nation's fundamental economic concerns in the form of the national debt, deficits and unemployment.

America's influence and power must be assessed in a broad economic context. It is important to start with the economy because our prosperity is the foundation of our national security.

It is also true that prosperity derives from the health of an international system that we helped create and which has survived because of U.S. leadership, U.S. cooperation with global partners and America's tireless service as a global security provider.

Whether it has been in preserving the freedom of the high seas for universal commerce or projecting power, the Navy has played a central role in America's global leadership.

As we plan for the Navy of the future, we must take a realistic view of that future and ensure that a dominant Fleet continues to provide the six core capabilities we set forth in our maritime strategy; and that is to be a global Navy, be a deterrent force and a deterrence not just in the context of our nuclear deterrence that is so well represented in our ballistic missile submarines, but also to be able to exercise sea control wherever and whenever it may be required, to be able to project power wherever the nation calls upon that power to be projected and it's not just in the form of airplanes coming off of carriers, it could be missiles being launched from our ships and our submarines, but it's also in the form of the truly unique relationship of the United States Marines operating from our

amphibious ships. If history is any guide, demand for what we provide in those capabilities to the nation will remain undiminished and may very well increase in the years ahead.

We have been pushing the Fleet hard. The Fleet today is at 286 ships, it is now the smallest Fleet that it has been since 1916 when our global interests and our global responsibilities were nowhere near what they are today. And with that number of ships, it is very hard to meet that global demand that is placed on us.

But we have also taken action with an eye to our future. We restructured ourselves, we've placed underperforming programs back on track, and we've introduced affordable capacity into shipbuilding and aviation plans and advanced capabilities to meet the most likely threats. We enhanced readiness to sustain our force and we've improved the quality of life for our sailors, our Navy civilians and their families.

Today our Navy is represented by 327,000 active Sailors, 65,000 reserve component Sailors, 160,000 Navy civilians and over half a million retirees. It's that Navy that provides us the offshore options for an uncertain future where we expect sovereignty concerns to increase around the world and in that increase of that sovereignty concern to increase the reliance on American seapower.

Yet, for many citizens, the benefits of a strong Navy aren't readily apparent. Although we are a maritime nation, we suffer nationally from "sea blindness." It is not a result of the nation's appropriate focus on the current wars that we are in. The Navy's involvement in the Middle East, the wars in Iraq and Afghanistan are best represented by the Sailors that we have serving there. As we are here tonight, there are over 14,000 Sailors serving on the ground in Iraq and Afghanistan. There are SEALs, there are explosive ordnance disposal, there are construction battalions, but they are just good sailors who we believe have the capabilities and the competence to fill in those areas where the ground force does not have the capability or the capacity. At sea tonight in the Middle East, there are 15,000 Sailors. The USS Enterprise just passed through the Suez Canal yesterday to take up her station in the North Arabian Sea to join the other carrier that we have operating there. From those carriers in the North Arabian Sea, that represents 30 percent of the airpower that flies over Afghanistan in support of our ground troops who are engaged in combat over there. But, going back to this idea of "sea blindness," it's not new for our country. In fact, I find it quite remarkable, that in 1948, one of my predecessors, one of my role models, indeed a hero of mine, Admiral Chester Nimitz, observed on his last day as the Chief of Naval Operations that the nation was suffering from the same malady. Keep in mind that was only three years after the United States Navy spearheaded an unparalleled Pacific campaign.

Regardless of the attention it garners, our control of and unfettered access at sea will remain vital as ever. After the war in Iraq and after the war in Afghanistan which will at some time come to pass, we believe we will see an even higher demand for naval forces. We also believe that America's interest extend far beyond Iraq and Afghanistan, and

consequently so does our Navy. While our primary focus today is on the Western Pacific, the Indian Ocean region and the Arabian Gulf, we remain active in every ocean. We are a formidable conventional deterrent, assuring allies and partners with our global presence made up of 65,000 sailors and 40 percent of our ships, submarines and aircraft that are deployed away from our shores on any given day.

Looking forward, global trends in economic, demographics, resources, climate change and threat proliferation may yet begin to cure “sea blindness.” Trade will not diminish, but trade patterns are going to change. The imminent expansion of the Panama Canal and the opening of the fifth ocean, the Arctic, will reshape the way the world moves goods across the globe and will have profound effects on communities ashore. I highlight the opening of the Arctic. When that ocean opens to commerce in about 25 years, that will be the first opening of an ocean since the end of the last Ice Age. This is a big deal and I believe warrants our attention.

When one considers that over two thirds of the top fifty international ports by tonnage are located in East Asia, the only region where nations with unresolved territorial disputes are building world-class navies, there should be little surprise that our attention is drawn to the crucial sea lanes there and certainly to China.

The activities of the People’s Liberation Army Navy, or PLA-N, are not surprising to me. Through a series of assignments since 1994, I have been exposed to PLA-Navy in a very personal way and have maintained a focused professional interest in them. Their increasing capabilities and professionalism are borne of direct investment by a nation that recognizing the value for an economy based on commercial exports and energy imports, of a Navy that can assure its operational space in an increasingly complex information age. We in the Navy look at those developments with an eye to keeping our options open and enjoy the flexibility inherent in naval forces when we think about preserving the access we and our international partners have come to expect in operations at sea. It’s also important to highlight the real cooperation between the United States Navy and the PLA-Navy that has occurred daily for over two years. It is called counter-piracy operations in the Somali Basin. That same cooperation has been offered and I believe should be welcomed by the PLA-Navy in the Western Pacific.

By taking the long view, we have made smart, strategic choices in the midst of increasingly complex circumstances and we have done well heading into a fiscal downturn as a result.

We stabilized our shipbuilding program to 10 ships a year, and this year we will procure two Virginia-class submarines in this budget, if we get out from under the Continuing Resolution that’s in play. We have obtained a fixed price for 20 Littoral Combat Ships. We have not been able to strike a deal like that since World War II. We’ve restarted the guided-missile destroyer line, the Arleigh-Burke line, some connection to someone in my family, because it, as the Secretary pointed out, is the workhorse of the most successful BMD program that we have going in our military today.

We made great strides towards the carrier variant of the Joint Strike Fighter while taking advantage of the hot production line of the Super Hornet, by using both of those; we are stabilizing our tactical aircraft inventory. We have introduced new aircraft: the best anti-submarine warfare helicopters in the world today, the MH-60. We have just introduced to the fleet the new airborne early warning aircraft, the Advanced Hawkeye that has twice the capability than the early warning aircraft that fly from our carriers today. And we are replacing the venerable P-3 Orion, a Maritime Patrol Aircraft, with the P-8 Poseidon. Those airplanes are in final test or have started delivery to the Fleet.

We also took steps to realize out our future potential in an area that we in the Navy have called information dominance. Two years ago, we reorganized ourselves. I combined the Director for Intelligence and the Director for Command and Control into one organization. And everyone thought every CNO gets to do one wiring diagram change, then I started to move the money and then people got really interested. And for the first time, now we are able to look at the world of information and cyber space through one lens and make decisions that spread across the Navy and we are not fragmented like we had been in the past. We reactivated the U.S. Tenth Fleet. The U.S. Tenth Fleet was formed by one of my predecessors in WWII when he was faced with a threat that was new, that was problematic, and that no one had a solution for. Tenth Fleet was formed to beat back the determined U-boat threat in the Battle of the Atlantic. So we reactivated that fleet to take a look and to go after this new world of cyber. We also looked at the human dimension of information. What we have done is by taking all of those individuals who sense, analyze, transmit, or fix the systems it rides on, we brought all of those specialties together to create the Information Dominance Corps. We manage that corps as an entity and when we do that, it's 45,000 people.

We have moved into the world of unmanned, and we are very pleased that a few weeks ago we flew the X-47B, a flying wing designed to fly on and off of our aircraft carriers. That airplane will revolutionize carrier aviation. But also we integrated investment approach to networks, cyber, electronic warfare and undersea surveillance that recognizes unmanned systems for their initial benefits as gatherers and movers of information. And we started a process towards joint interdependence. We have always had a truly unique relationship with the United States Marine Corps and there are no two services that are as interdependent, that rely of one another as much as we do, nor respect one another as much as we do. But recently with the Air Force, we have come together to deliver dominance across the global commons in more challenging electromagnetic environments than we've faced in our current conflicts. We have accomplished a lot, but the challenges that make this time different for the Navy persist.

We accomplished in the near term, things that are going to make a difference for us. But we are as I alluded to earlier, facing the impacts of a Continuing Resolution as Congress comes to grips with producing Appropriations Bills to run our government. Those impacts are considerable, especially if permitted to run for the entire fiscal year. What could amount for the Navy to be about a \$5.7 billion shortfall by the end of October, is already affecting our operations and maintenance, and will soon affect all of our main accounts, private sector employment and the industrial base and most importantly, the

lives and the quality of work and life of our Sailors and their families. Among the casualties of a year-long Continuing Resolution would be recapitalization of the Fleet we have now, and our vital efforts to build the force for tomorrow. As we think about that future force, we must factor in some new fundamentals that we can neither wish away, nor address by staying wedded to what we have done in the past.

New fundamentals in the fields of manpower, procurement, research and development and information technologies will inform us what is possible and will likely require disruptive change to accommodate.

This is the context in which we will plan and program for a ready, relevant and dominant future Navy. The maritime strategy guiding our investments, the multi-mission forces available to us and the finest Sailors with whom I have ever served give me confidence that our Navy will remain strong.

That said, the greatest challenge that I see to our Navy is not upon us today. It will be upon us in the decade of the '20s when much of the Fleet that grew during the tenure of the two great gentlemen that are sitting in the front row begin to age out in that decade. At the same time, we are recapitalizing the most survivable leg of the nuclear triad, the ballistic missile submarine. And the budget pressures that we see today will pail in comparison of what I anticipate will happen in the '20s.

I'm also not alone in observing that the United States faces a test to its global leadership today. Yet no nation is better equipped to lead in the international system and no service is better suited for the smart and agile approach this nation will need in the emerging security environment.

American sea power will continue to play a large role in influencing international partners and actors with its ability to shape developments and to respond rapidly to events in a maritime domain which spans from the deep oceans to those areas ashore that can be reached from the sea.

At the end of the day, we will always go to sea in ships to provide the offshore options for the nation that simply don't reside anywhere else.

Thank you and I look forward to your questions.