

**Chief of Naval Operations
Adm. Gary Roughead
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Well thank you and it's great to be here and see some familiar faces and look forward, most importantly it's great to be able to answer the questions that are on your mind. My thought was that I would talk about a few things and then open it up to questions and then we'll go on from there. But I do appreciate the opportunity to be here at Hudson and to be able to talk about something that I think is going to continue to be an increasing importance to us- and that will be the role of the Navy in the future and how that will move in my mind into the national focus.

I'll talk a bit later about my views of the future, but I think it's important to recognize that the Navy today is heavily committed in the fight in Iraq and Afghanistan and things that I may say later on should in no way detract from the importance, the focus and the commitment that we have in being part of that fight. In fact, today there are about 15,500 Sailors who are on the ground in Iraq and Afghanistan, who are performing a variety of missions and tasks everywhere from the most elite of warriors in our Navy SEALs to explosive ordnance disposal, construction battalions, intelligence specialists, logisticians and Sailors who are there in an individual capacity- about 7,500 who are filling in areas where we can make a contribution to our efforts there. In addition to that 15,500 that are on the ground, there are approximately another 17,000 who are at sea in the Middle East. As you may know, we now have 2 aircraft carriers that are operating there- the [USS] Harry S. Truman and the [USS] Abraham Lincoln. And they'll operate in the Arabian Gulf and in the North Arabian Sea. On any given day they're providing about 30 percent of the fixed wing sorties that are flying in support of our troops on the ground.

We also, in the Navy, believe that our interests are global. And while we're heavily focused, we are totally committed to the fights there. Globally, today we have about 61,000 Sailors who are deployed and about 40 percent of our ships, our submarines and our aircraft squadrons are deployed around the globe. Our Navy today consists of 288 ships. It is also the smallest Navy that we have been since 1916 when our global interests and responsibilities weren't quite what they are today. We have about 3,900 airplanes and our active force is 328,000 Sailors, active; about 65,000 reserve and about 165,000 Navy civilians- so that gives you a size of what we are.

But I think that as we look to the future and as we at some point in time come out of Iraq and Afghanistan, I believe that the role of the Navy will become increasingly important for a couple of reasons.

One is that there will be increased sensitivity with regard to sovereignty. Countries will become more sensitive; countries will become more reserved with a large foreign ground presence on their soil. I believe that's a trend that we're going to see. I have seen it in my operational commands and where there's a desire in Iraq, but there's always the

sensitivity with regard to troops on the ground. I would also submit that as we come off of the wars that we're in, that there will be great thought given prior to commitment of large forces in a foreign land. And I also believe that the nature of our globalized world and the prosperity that derives from that will also find value in naval forces and what naval forces provide.

As the President has said that it is a just and a sustainable international order that will be the indispensable factor in global prosperity and peace and I agree that. It was reinforced again in India and I really do believe it's that environment that is going to provide for the prosperity and security of the future. Because at the end of the day the globalized world that we live in and the benefits that we derive from that world really stem from that which moves on the world's oceans. On any given day, about 90% of the trade is moving on the sea, about \$40 billion worth of oil moves through the strategic choke points everyday and annually about \$3.2 trillion moves on transoceanic cables that encircle the globe and enables that commerce to take place. And I believe that regardless of what disorder activity may exist ashore, that sort of global intercourse that trade, that commerce that interaction will continue on. And that will continue on in the world's oceans and we will enjoy the benefits of that which flows from that trade.

I also believe that we're going to see a continuing trend in the area of demographics. We are continuing to see populations compressing down to the coastlines on every continent. In fact, if you look around the world and you take into account the megacities that exist, almost all of them exist in this littoral area- that band that is just off the coast and that area that will be able to be influenced from a littoral area or the coastal waters of continents. We're also going to see that populations continue to grow, continue to compress and in fact the urban population in 2050 will be the same as the global population in 2004. So we're going to continue to see the mega cities swell and greater populations in the littoral areas. I would also submit that as I look around the world and we tend to be captured by the Middle East, by the Western Pacific, that in the future- the continent of Africa will figure more into our discussions than it does today. And one of the questions that I have and I keep asking those who work for me, is how do we see Africa opening up to this maritime domain and it's a question that I have sought from those who are in the maritime business. When I ask them the question where are you going in Africa, they look at me and say we are still trying to figure that out. But I think that in the next 10 or 15 years will play much more than it does today.

The other area that will change the nature of this maritime environment is the expansion of the Panama Canal- something that is often not talked about. I'm not sure it's on the front burner of most in our country, but that expansion project is taking place and the Panama Canal will change its throughput in about 2015 or 2016 to where about 90% of global shipping will be able to pass through and 86% of liquid natural gas tankers will be able to pass through where as today only 6% can pass through. I think that will fundamentally change the maritime routes that come through the Caribbean and through the Southern Waters that are of great interest to us and also to the Western Approaches from the Pacific.

And then of course, the changes that will begin to take place in the not too distant future when we open the fifth ocean, which is the Arctic. That in my opinion will begin to see the migration of fishing stocks in the cooler water, which will drive fishing fleets into those areas which will probably change the cost of that protein source, not so significant for those of us in the United States, but when you get into Africa and Asia where they are extracting a quarter of their protein from the ocean, that will have a significant effect on thinking and on activities in the polar regions. I think that we will then see, mineral extraction beginning to take place and then probably in the next 20 years or so, when the ice has diminished enough you are going to begin to see some more profitable transportation taking place across the top of the globe. We have not seen a change like that since the end of the ice age. And it's one that will have a significant effect on trade and on prosperity.

So, as I also look out into the future, I see an environment in which there is a lot more ocean out there. As I talk about the receding of the ice in the Arctic for a Navy guy that's great because that just means there is more water in which to operate- but we will see the oceans play a more significant role. If you look at the current conflicts and you look at the global recession and some of the political thought that were facing in the nation invariably some are led to believe that our country is in an inevitable decline and I would submit that now is when we have to think about that global focus more than any other time. Because our security will ultimately rest on the economy of our country and how we play on that global stage. I think that we must meet that perception head on because there is no one now that can replace our global presence.

There is no Navy that can replace the global presence that we as a Navy have. I would also submit that the partnerships that we have been able to forge over the last couple of years have led to a reawakening of the roles of navies and the activities that we are engaged in and how that can benefit the security and prosperity and I often cite the example of our International Seapower Symposium that we host at our War College every two years. Four years ago, 67 countries came. Last October, 102 countries came. And when I look around the world and I meet with my friends and partners, we're beginning to see constructs that are taking place regionally that enhance the maritime security in the various regions and nothing can replace that. From a strategic perspective, I would say that investment of a global fleet is an investment that is very well made.

And whether it is to have a fleet to be able to project the power and control the seas or if you're there to have a fleet that can respond as we have done in Haiti and Pakistan and Indonesia after a natural disaster that is a value that is extraordinary. So as you look at all of those capabilities, you will find the Navy's core capabilities reflected in those types of missions. That's to be a forward Navy, to be a Navy with enough deterrent strength that it is in fact a deterrent, to be able to control the sea, to be able to provide power projection wherever and whenever needed, to be able to contribute to the maritime security and to provide humanitarian assistance and disaster response whenever and wherever it is needed.

I think it's also important to recognize what you invest in when you invest in a navy. Although you can look at what we do as a service and the types of things that we operate, I would ask that you amortize that over the life of the platform. For example, the USS Enterprise, which we are now preparing to deploy to Afghanistan, its first mission as a commissioned warship in the United States Navy was to participate in the Cuban Missile crisis. That is a good investment. This Saturday, I will commission the Navy's newest warship, the USS Gravelly in Wilmington, North Carolina. It will be a great day for the Navy, it will be a great day for the nation, but the last commanding officer of that ship is 7 years old today. So that is another indication of how long these great capabilities that we procure and that we sail will serve our nation. I believe that's important to take into account.

I would also talk briefly about the view that we have about our future and the areas that we believe are important to our Navy. When we issued our maritime strategy a few years ago in the fall of the 2007, we talked about the core capabilities that I mentioned, the deterrence all the way through humanitarian assistance. We also talked about how important it was to focus on two particular areas: the Western Pacific and the Indian Ocean region and the Arabian Gulf, because I believe it is from those two areas where their security and prosperity will be most effective. And I would say that as we look to the future, our attention should be drawn to Asia because that will continue to shape the economic and the security environment for the next couple of decades. And without a global Navy, without a Navy that can influence in those regions, then we forfeit the opportunity, we forfeit the ability to shape that region and to be able to cooperate and work closely with our friends, our allies and our partners who are there.

And so as I wrap up, I would simply say that I believe that credible seapower can form the basis for not only what we need to do today but for how we can shape the future and how we can enable the follow-on forces should those follow-on forces be required. Some might argue that one guided missile destroyer off the coast of Somalia doesn't solve the problem of piracy. And I would tell you that that one ship does not do that. But the fact of the matter is that the countries that have come together, the navies that have come together in that area have made a significant difference in being able to bring a measure of normalcy to that area and we have thwarted more pirate attempts than have succeeded. So it's the building of naval forces that come together that I think is extremely important to us. I would also say that as you look at the staying power of navies, and particularly a global navy like the United States Navy, we have been flying into Afghanistan for the last ten years from our carriers in the Gulf without a requirement for any footprint ashore. We also, as a result of who we are and what we do, have been able to provide that humanitarian assistance to the Haiti's and to the Pakistan's and to the tsunamis in the Pacific without having to mount an effort to go there, we simply do it in stride. It's also from our ships at sea that we're able to provide that presence ashore for however length of time may be needed and then quickly bring it back to address those issues of sovereignty as we go into the future.

And so as we look to this future, I think now is the time to look at our priorities, to look at the capabilities that we need. To, as we say in the Navy, tack those priorities to the

mast and look at what those priorities are and what it means to the nation to have them or not to have them. Because at the end of the day, we will be better off with a global Navy that has a global reach that can have global effects to provide for the security and prosperity of our country.

And with that, I would really like to get to your questions. I hope that I've primed the pump a little bit on some thoughts.

Thank you. The floor is open.