

Remarks by the Honorable Ray Mabus
Secretary of the Navy
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You know, we have great leadership in the Navy and Marine Corps. All the way from brand new, third class petty officers, all the way up through the most senior flags. And we've got some of that great leadership sitting down here in front today. And I just want to take one minute to thank Phil Wisecup, a great head of the Naval War College. Admiral Wisecup was nice enough to invite me last year when I had been in office for about a week. He was even nicer not to ask many pointed questions since he knew how new I was. But I thought that I should come back today with hopefully a little more experience under my belt.

And as he said, I just got back from a trip: Italy, Afghanistan, Souda Bay, Crete and Morocco to see African Lion, the Marine exercise, the biggest exercise on the African continent, that we run. And as I was coming back, it did dawn on me, thinking about this conference, that I'd been in office almost exactly a year. So I was took just a moment and decided to see where I'd been, what I'd done over the past year.

In that year, I've had an amazing opportunity to visit with Sailors and Marines all over the world. It's a great representation, where I've been, of what our Navy and Marine Corps are doing today and where they are today.

I've flown over 115,000 miles; almost 10,000 miles a month - a third of the distance to the moon. I've visited 22 countries, 21 states; from those in combat in Iraq and Afghanistan, to our ships on station in the Arabian Gulf and off the coast of Haiti,

and in almost a hundred all hands calls I've talked to literally thousands and thousands of Sailors and Marines.

And every time I've done it, every single time, I have been constantly impressed by the courage, by the determination, by the dedication, by the skill of every Sailor and Marine that have been there.

Ever since the end of the second World War, the consistent forward presence of American ships and the consistent forward presence of our naval combat power has been the most visible demonstration of our commitment to the international community, and the ultimate guarantor of safety and security for global commerce, particularly maritime commerce.

Forward presence, international engagement and security cooperation also directly support American national security objectives and the work of other parts of our government, like the State Department and USAID. Because increasingly, as you are talking about here at the War College and at this seminar, the Navy and Marine Corps are involved in more than warfare. They are involved in diplomacy, in information, in humanitarian aid and economics, as well as military force.

These Sailors and Marines that I have been meeting around the world are the instruments of that – they are the face of America. The Navy and Marine Corps' role can be as simple as a strike group pulling into port, where the captains and the commanders meet with the local leaders and where our Sailors and Marines interact with the local population. They are the face of America. It's often the only time people will see an American or get to talk to one; it's our Sailors and our Marines that they see. And

whether it's a routine port call or an emergency relief effort, the face of America is the face of Sailors and Marines.

In just the past few years, look at what we've done. Navy and Marine Corps responded to earthquakes and tsunamis and flooding in Pakistan, Indonesia, the Philippines, Oceania, Samoa and Haiti. Just last week the *Underwood* supported the relief mission to Guatemala after Tropical Storm Agatha, and it distributed more than 100,000 pounds of supplies in the two weeks she was there.

In the Middle East, we have built several combined task forces and over 20 countries, including Iraq and first-ever commands for Bahrain and the UAE, have successfully led these task forces through months of difficult operations, combating pirates and protecting global commerce. Partnership, as this seminar points out, is becoming the rule.

Some of our partners share our platforms. Japanese and Canadian pilots are flying P-3s both for ISR out of Djibouti and counter-narcotics in the Caribbean.

Japanese DDGs, equipped with AEGIS, have sailed the Indian Ocean as part of Operation Enduring Freedom. Korea has integrated their AEGIS ships in the radar network which is monitoring the unpredictable regime to their north. Spain has deployed the *Alvaro de Bazan* with the Theodore Roosevelt Strike Group and Norway's *Roald Amundsen* participated in the summer work-ups of the *Harry Truman* Strike Group in 2009.

We're forging new ties through mentoring and through training exercises from the west coast of Africa to the Western Pacific. We're enhancing cooperation; we're building maritime security capacity.

In all these partnerships, we share technology and we share tactical and operational procedures and interoperability. More importantly, we share personal relationships between the commanders, between the crews of ships and aircraft, and it brings us all closer together. As others have said before me, you can surge people, you can surge equipment, you cannot surge trust.

But our excellence in all areas of combat and operational capacity, in our presence and in our partnerships comes at a cost. We spend a lot of money to buy our ships, our aircraft, our tactical vehicles, our weapon systems, and to fuel them and to get them where they are needed, and to train and equip the people to operate them. And those costs keep going up.

And what that requires is that we take some steps now to assure affordability, so that we can keep meeting the missions that we've been assigned, the missions required to keep our nation and global commerce secure.

And I know I'm not the first Secretary to talk about affordability and I think it's a fair question to ask, well what's different now? The answer is simple: the economic environment that confronts not just America, but every country across the globe, is what's different.

Now despite these economic tough times, nobody can doubt the commitment of this administration to national security. The Department of Defense was one of only three agencies –Veterans Affairs and Homeland Security were the other two – to receive additional money in this year's budget. Both the President and the Secretary of Defense have made it clear that we've got to do a better job of managing those tax dollars. There

are no sacred cows and everything is on the table as we review every dollar we spend and how we spend it.

The first job I ever had in an elected office was as the state auditor of Mississippi. I know how to read a budget and I'm no stranger to demanding accountability. Every dollar wasted is a dollar we can't spend protecting our Sailors and our Marines. Every dollar wasted is a dollar we can not spend building the fleet that we need. And every dollar wasted is a dollar we can't spend defending this country.

Last month I outlined the governing principles for Navy and Marine Corps acquisitions and how our department will operate to make every single dollar count.

So much of the acquisition process comes down to weighing cost against capability, and we haven't always done that very effectively. I'll give you an example, the VH-71 Presidential helicopter would have been an incredibly capable machine, but as Secretary Gates said, do we really need a helicopter in which you can cook a gourmet meal while fleeing a nuclear blast? Probably not. The requirements exceeded the need and it exceeded our resources.

Sometimes requirements change. The DDG 1000, another incredibly capable platform, but one that had a very specific mission. And the world changed and technology changed since the ship was designed, and it was decided that we needed more flexibility in the fleet. So that class was truncated at three ships, its technology was captured and the Burke line was restarted to do more of the missions we need to do for far less cost overall.

In the Navy, we started a formal Gate Review to identify the correct requirements for every major program. It brings together operators from the fleet, and programmers,

and technical experts and our acquisition team to look at cost versus capability, to make informed decisions about whether to move forward or not move forward on a specific contract.

And once we make decisions on what to buy, we need to stick with those decisions. In the short term, we just can't be taken by every new technology the second that it's invented, and we can't force it on every platform or weapon system that's in the process of being built.

Over the longer term, we owe industry stable designs and stable intentions for what we will buy and build so that they can make some long range decisions themselves.

And I think we are doing that. We've made a commitment to build an average of 10 ships a year over the next five years. But with that sort of stability, I expect industry to make the necessary investments in infrastructure and in training to build those 50 ships. I also expect that both cost and construction time will come down with each successive platform built.

Some of the classes of ships and aircraft that we have built have been incredibly successful at this, like the *Virginia* class attack submarine, the P-8A, and the *Lewis and Clark* T-AKE. Some have not. But on-time and on-budget have to be the standard. We all, Navy, Marine Corps and industry, have to meet our targets. Where it does not or we do not, I won't hesitate to cancel or restructure programs and contracts – just as we did when we down selected on the LCS [Littoral Combat Ship].

The way we write contracts is equally important. In the past, we've had to pay for some defective work just because our contracts weren't written well enough. In some

cases we've paid for the same welding job two or three times because the contractor didn't do the job correctly and we didn't write the contract correctly.

And that's wrong. It's wrong because it hurts taxpayers and it's wrong because it hurts our national defense. So we need to do the mind numbing thing of going through these contracts thoroughly, and I got to tell you it's one of the reasons I quit being a lawyer, was doing stuff like this, but we have to do it. And to do it, we need to recruit and train the right people and we need to pay for results and not process.

One change we are making in our contracts is to rely more on fixed price contracts for all but the very highest risk systems, and first of a class ships or aircraft because cost plus contracts are too often just that: cost plus - costs too much.

In the end, it's about using our resources a lot more wisely. Because the long-term ability of the Navy and Marine Corps to support America's broader foreign policy objectives, to remain the strategic leader in the world, to answer the very questions this forum poses, depends on our ability to adequately resource our fleet.

Now the question of resources extends to how we power that fleet and those aircraft and those vehicles. Today, competition for natural resources, specifically oil, is one of the chief drivers of the global economy and is a national security issue for the United States.

Strategically we know we buy too much oil from potentially volatile areas of the world. We would never let some of the places we depend on for oil build our ships, our aircraft, our weapons systems, or our vehicles. But those places have a real say in when and how we sail or fly or drive those platforms.

So we in the Navy and the Marine Corps need to be more energy efficient and we need to use more home-grown alternatives to fossil fuels to improve our energy security, to increase energy independence and to grow a new energy economy. It will make us a better military force strategically and it will improve our combat ability tactically. Many of you know this from our operations in Iraq and Afghanistan.

Just think about what it takes to get a gallon of gas to a frontline unit in Afghanistan. I visited a bunch of FOBs [Forward Operating Base] last week in Musa Qaleh and Delaram, and to get a gallon of gas from one of those units you've got to take it across the Pacific, you've got to put it on trucks, you've got to take it across the Hindu Kush and all the way down to one of those Forward Operating Bases, and only then do you get to put it in the tank of a vehicle or a generator.

Every step of the process, you add money and every step of the process you take Marines away from combat, engagement and development to guard that gasoline. And for every 25 trucks we send into Afghanistan we lose a Marine, killed or wounded. If we can make our systems more efficient or if we can replace that fuel power generator with solar or geothermal we can save lives, we can save money and we can increase our combat capability by letting Marines do what Marines need to do – fight, engage, rebuild.

And it is for those reasons that we established five energy goals for the Department of the Navy last year, the most important of which requires the Navy and Marine Corps to get half our energy from alternative sources within 10 years, by 2020. We are moving aggressively in that way.

We've flown a Hornet on biofuel at Pax River - Green Hornet. I know how old you are if you laughed at that. My children have no idea who the Green Hornet is.

We've launched a hybrid powered ship that saved \$2 million on its first voyage from Pascagoula, Mississippi around South America to its homeport in San Diego. We are testing expeditionary energy concepts in Quantico, we're expanding solar capacity throughout the west and implementing energy efficiency measures across the fleet. It won't be easy, but we will be a better fighting force because of this.

The Navy and the Marine Corps have always led this country in technological advances. We moved from wind to coal in the middle of the 19th century. We moved from coal to oil early in the 20th century and in the middle of the 20th century, we added nuclear power to our fleet. Every single time we changed technologies, every time, there were skeptics who said, you're trading one very proven method of powering the fleet for something that is unproven, expensive and may not work. But the Navy and Marine Corps have always done it and they never ever back down from a challenge.

We have led in technological change and we've created the greatest expeditionary force the world has ever known because of our willingness to embrace that sort of change and because of the quality of the people we have manning the fleet as Sailors and Marines. The quality of people, like the people at the War College, like the people sitting here today - that's our edge; the willingness to try something new, the willingness to make ourselves better, the willingness to be an innovator and a leader, the willingness to lead.

And so to the students here today, to the students here at the War College, I first want to thank you for your service. Thank you for being leaders in the fleet and in the other armed forces of our country. This year that you will spend in Newport is incredibly important for your professional development. It affords you some time to study and to

think about how to make our military better. But it is also important to our country and to our world, because your leadership will make us more secure.

As you go to your next assignment, remember what the uniform you wear really means and why we all serve. We serve the greatest country on earth and what it stands for, and in accepting that privilege of leadership, we accept the responsibility to serve the Sailors and Marines, the soldiers and the airmen that we work with; to serve those on the front lines who bear the heaviest burdens and take the greatest risk.

The legacy of the Navy and Marine Corps is a legacy of leadership. And now it is up to you students here at the War College to maintain that legacy. You follow in some pretty amazing footsteps. It is your turn to lead us into the future, to write the next chapter for our military services and for our country. Write them well.

Thank you very much.