

Remarks by the Honorable Ray Mabus
Secretary of the Navy
Hampton Roads Chamber of Commerce
Norfolk, VA
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Thank you, Tom Prevette, for that kind introduction. It is absolutely wonderful to be here in Hampton Roads as a guest of the Chamber of Commerce. I want to start off by thanking the Chamber for inviting me to speak, and I want to thank every constituent member of the Chamber for everything you do to help take care of the Hampton Roads military community. I know that we are part of the fabric of this region, we're your neighbors, your customers, and your friends. Every day the businesses of this region do wonderful things for our military, those who serve, and their families. You don't have to do this, but you do – so thank you.

As Secretary of the Navy, coming here to Hampton Roads really feels like coming home. Since taking office 18 months ago, I've talked a lot about the Navy and Marine Corps as America's Away Team – and my international engagement and travel schedule has taken me to see our deployed Sailors and Marines from Garmsah, Afghanistan to Agana, Guam. On any given day, about 40 percent of our ships and submarines and 65,000 Sailors and Marines are deployed – most of them in a theater of war. But it's here in Hampton Roads, and in our other homeports across the 50 states, where the real work of the Navy to prepare our Sailors for deployment and make them ready to defend America's interests abroad is really done. So as I said, coming to Hampton Roads is coming home. That's certainly the reception I've had over the last two days, as I visited with several hundred Sailors from various units of the Naval Expeditionary Combat Command at Little Creek, and with the Sailors of the USS RAMAGE and USS IWO JIMA at Norfolk Naval Base.

Yesterday was Pearl Harbor Day, and I had the honor of participating in a small but powerful ceremony at Little Creek. It reminded me of the service and sacrifice that our men and women in uniform give every day, and how ready they are to give everything in service to our country. The gravity of the day reminded me of the traditions of the Navy, and the weight of history reflects the long association of this region with the naval service. Hampton Roads has been part of the Navy since the very first days of the Republic. It was the Naval Act of 1794 that authorized construction of the first six frigates of the new fleet – one of which, the *Chesapeake*, was built just a few miles from here at Gosport Shipyard. Gosport is now known as the Norfolk Naval Shipyard, and as you know the most powerful warships of our fleet continue to be built there.

Since the *Chesapeake's* December launch into the icy waters of the Elizabeth River 211 years ago, thousands upon thousands of ships have gone down to the sea and sailed from Hampton Roads en route to the unknown. It was from here that our ships sallied forth to ensure the safety of American shipping from the predations of the Barbary pirates. It was from here that our ships and Sailors left to fight two world wars in Europe, many of whom didn't return. And it is from here that our ships still deploy to guard freedom and democracy around the world. My own experience with Norfolk and Hampton Roads is almost mythical in my memory – when I was a junior officer onboard the USS *LITTLE ROCK* 40 years ago I came in and out of Norfolk all the time, and I wasn't even homeported here.

Like those ships of decades past, the ships, units and aviation squadrons stationed in Hampton Roads represent the Navy's continuing association with Hampton Roads. It is a relationship that has grown stronger with time, and it is a friendship that will persist long, long into the future. I know that there is some concern in this room about exactly which units are

stationed here – and I’ll be happy in the Q&A portion to take a question on this – but I want to reiterate the unwavering commitment of the Navy to Hampton Roads.

Today 64 percent of the Atlantic Fleet is homeported here in Hampton Roads and we have nine major installations located across the region, from Yorktown in the North to Northwest Annex on the North Carolina border. We build all our carriers and many of our subs here, and the units stationed around the region do all the things that we ask of our Navy. A sample of today’s work in the Navy will show you the *HARRY S. TRUMAN* and the ships of her Strike Group, homeported out of Norfolk, on their way home, having just completed a deployment in support of ongoing combat operations in Afghanistan. It will show you *VELLA GULF*, deployed as a Ballistic Missile Defense platform. And it would show you units from here conducting development projects in Afghanistan, and missions around the world ranging from medical assistance and disaster relief to counter-piracy operations in the Gulf of Aden and security cooperation off the coasts of South America, Africa and in the Arabian Gulf.

These are the things our Sailors and Marines are doing around the world. Back at home, one of the most important parts of my job is ensuring that they have the ships, planes, equipment, and tools now and into the future to ensure that they can continue to do their jobs successfully. For the fleet, this means having the right number of ships and aircraft. Last year the CNO and I committed the Navy to a long-range shipbuilding plan that will over the next thirty years grow the fleet to over 320 ships. This is a necessary course of action, because we know that we will continue to have global commitments long into the future, and we know that to adequately meet all these missions, the missions I described above – the missions that the President and Secretary of Defense have assigned us, the Navy requires a bigger fleet. We already build the best ships

and aircraft in the world, and we will continue to build to that standard. But there is another ground truth in operational planning: quantity has a quality all its own.

That is of course, an easy thing to say but not so easy to accomplish given the fiscal realities that exist for our nation and our military. The economy over the last couple of years has been difficult – as businesspeople there is no need for me to tell you that. And for the Navy and Marine Corps we have also been affected. This means that as we move forward we have to consistently examine everything that we do and look at every single program that we have. We must thoroughly examine our requirements – what we need – and control costs to ensure the most efficient allocation of resources.

Secretary Gates has, in fact, charged the Services with finding \$100 billion over the next five years in efficiencies - specifically taking money away from overhead and moving the money towards our programs and operations. Everything is on the table. Nothing is sacred. I know that there has been a discussion in the press of some cost-saving measures that affect this region, and some decisions have been proposed that many in this room might disagree with. What I will say is that the belt tightening affects us all – and again, everything is on the table. For the Navy and Marine Corps, that means everything from small measures, like eliminating one of the major offices from my own staff and moving 35 billets out of the Secretariat – to larger measures that we're still looking at and evaluating.

Simply put, across the board we have to be more efficient. As Secretary I have devoted significant attention to how we define our requirements in the Navy and Marine Corps, how we make sure we're procuring the right things, and how we're writing our contracts.

The best example of this is up for a decision next week. Last year we had a program, the Littoral Combat Ship, that wasn't living up to the expectations we had set for it. The bids for both versions of the follow-on ships of the class were coming back significantly over-budget. So we decided to change the way we'd award the next series of contracts. We created competition, and said we'd downselect – based primarily on price – to a single ship design and award the first 10 ships of the new contract to a single manufacturer. Under the terms of the downselect the next five ships would be competed out again and awarded to a new yard.

Well, something happened that we didn't expect – the bids for both versions of the LCS came back significantly lower than what we thought they would, so much lower in fact, that we determined we could buy 20 ships for the price of what we expected to buy 19 – and we'll get one ship to the Fleet faster than we would have under the downselect. So, we've asked Congress for permission to do just that, to not conduct the downselect and instead buy both versions of the LCS. This is a win for the Navy, a win for the shipyards involved and a multi-billion win for taxpayers through the savings we'll achieve.

Most importantly, what we're doing with the LCS is just good business – something I know this audience knows a thing or two about. Doing what's best for the country, and for the Navy, means adapting to new circumstances – and I promise you that we will continue to adapt and continue to evaluate all our actions to ensure we are making the best decisions, those that best serve our national security while providing the best deal for taxpayers.

Adaptation to new circumstances is nothing new for the Navy – or Hampton Roads. For 235 years, the Navy has been in constant motion, just like the oceans we sail upon. For 235 years, we have led the United States and the world in technological innovation and the ability to

meet and overcome any challenge, any obstacle, and every fight that has confronted us. For 235 years we have grown, we have adapted and we have changed when necessary to address the ever-shifting requirements of a fluid and increasingly complex world. The communities of Hampton Roads have been a partner through it all, and we'll continue to adapt together for another 235 years.

I want to thank you again for inviting me to speak today, and once again thank you for all that you do to help maintain the Navy and Marine Corps as the most formidable expeditionary fighting force the world has ever known.

Thank you again, Godspeed.