Remarks by the Honorable Richard V. Spencer  
Secretary of the Navy  
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General, thank you for a nice introduction. And it’s a pleasure to be here putting some names with faces that I don’t know, and also seeing some faces that I do know. It’s great to be here, in that regard. I was looking at the agenda, and I’m disappointed that I have a busy calendar, because I’d much rather be here partaking in some of the conversations that you all are going to have. Jill, thank you and your team for putting this together and making it happen, because interchange of ideas is the way forward.

I’ve been in office for a little over a month now. And it’s a neat ability for me now to kind of share with you my priorities and what we’ve seen in my recent travels around North America. I’ve had the opportunity to travel from Philadelphia to Mobile, to Jacksonville, San Diego. And I’ve been touring the bases and shipyards, out there listening to what the Sailors and Marines and everybody have to say, and had discussions with the troops, addressing my priorities, but more importantly at this point in time listening to their concerns, because I truly believe my ability to serve as Secretary of the Navy is truly a privilege.

It’s also given me perspective. I’ve seen the sacrifice that our Sailors and Marines have made, and what their families are living with. I’ll start out right at the top and tell you that the recent collision and drownings in the 7th Fleet, as you know, are being investigated. We’re going to approach this in two ways, which I’ll get into in just a minute. We’re going to hold those accountable where it’s called for. But more importantly – and this is the important message – we’re going to learn from these events. The CNO has ordered a comprehensive review that was penned out under Vice CNO Admiral Moran’s signature. And I have just, as of last week, you might have noted, called for a Strategic Readiness Review.

This review will be independent, but yet in cooperation with the CNO’s. And for those of you who might think it’s redundant, it’s not at all. What we intend to do here is have the review that Admiral Davidson is heading up being a tactical review as to operations and safety and how we actually operate within the fleet. The review that I have asked to stand up will be chaired by civilian and uniform, but we have reached out to industry who have gone through various different meaningful events and come out the other side.

BP North America with Deepwater Horizon, Crowley Marine which has created a very admiral safety program called the road to zero, turning around their safety record. Maersk has offered to put forth people to help us with operational and safety standards that they have created. Boeing, Sandia Labs – we’re going to approach this as best practices for people who have come out the other side. And we really do expect this to be a learning experience and a reset to go forward. The culture of safety starts at the top. It truly does. And we’re going to
ensure that that’s structured in the right way as we rest that. We owe it to our service members. And our naval power relies on the ability to operate safety.

American naval power is fundamental to our national security. George Washington once said: Without a decisive naval force, we can do nothing definitive. That’s more true today than it was back then. Every day we have an average of 100 ships underway. That’s over one-third of our fleet. But it’s not lost on many of you in this room that that’s the smallest fleet we’ve had since 1916. But our responsibilities have only increased. It is more important than ever that the Navy can do everything we ask of it. To ensure that we have a capable Navy, though, I have identified the following three priorities: People, capabilities, and process. Readiness and lethality and modernization are the requirements that drive these priorities. And, as always, our core values and accountability shape our culture and our actions.

Our culture and our actions all start and end with people. Our people, our Sailors, our Marines, our civilian workforce, and their families, are our core strength and our greatest resource. No matter where I go, I’m in awe continually of their dedication and their drive. The Navy/Marine Corps team and their families, the civilian teammates have never failed this nation, and they never will. Thanks to their determination and patriotism, our Sailors and Marines will continue to do more with less. But we cannot rely on people’s ability to continually absorb more work with less resources. At some point, we’re not managing risk but, as Secretary Mattis put it, we’re simply gambling.

Our people’s attention to duty, commitment, must be matched by their leadership. We must ensure that they have the tools and resources to do their jobs. We cannot stifle our Sailors and Marines can-do spirit. I also do not want to take it for granted. Our Sailors, Marines, reservists, our civilian workforce and their families are shouldering the burden. We must do more to relieve that. In keeping with our need to recruit, retain and keep the best and brightest, the Navy must continue to live up to our core values of honor, courage and commitment.

Our leaders are entrusted with the tools of war, with the very lives of our Sailors and Marines. And as such, they must hold themselves to the highest ethical standards. We must always be prepared to make the right choice on and off duty. Accountability and responsibility are linked. We expect more out of those who we entrust with the lives of our sons and daughters.

Now, we all know that people alone do not equate to capability. And it’s capability that allows the Navy and Marine Corps to win wars, preserve peace, and provide security. Our capabilities come from people who are well-trained to use the equipment that we have. And so thanks to our people, our equipment, our partners in industry, our capabilities currently exceed those of other nations. But that advantage, as you well know, is shrinking. I’m committed to working with Congress to help move past the limitations of the Budget Control Act in order to fund the readiness and build the Navy that we need going forward.

As the Department of the Navy continues to develop our requirements, as far as purchasing and acquiring, we must bring rigor to that process. The Navy must be a responsible client, understanding the needs of our supplying partners, all the while remaining good stewards.
of taxpayers’ dollars. We have to refine the acquisition process and allow the people who have the knowledge and the intelligence to make acquisition decisions. We have to trust them to face off with the problems they face and provide solutions. And with that trust, comes accountability and responsibility for the outcome.

We look to our industrial base partners to provide solutions to our requirements, and in that base lies great strength. I know that. As we invest for readiness in the near term and begin resource management process for the fleet buildout, I encourage the industrial base to enhance their research and development so that we may work together to build a sustainable partnership that is based upon shared risk producing shared benefits. Back in January, Secretary Mattis outlined a three-phase approach to strengthening our military. I’m pleased to note that the Department of the Navy is in full steam support of the Secretary’s call for improved readiness, acquisition program balance, and ensuring a more capable and lethal fighting force.

Last week, an Arleigh Burke destroyer, again, shot down a test ballistic missile. With the potential threats on the horizon, capabilities we are developing and testing today are critical and crucial towards our national security tomorrow. Today’s destroyers have integrated air and missile radar that provides capabilities against modern aircrafts. You all know that. Their armament ensures that they are both capable to defend themselves and project American power. Commanders need all the ships they can get, not just to be ready in case of hostilities, but also to project and reassure our allies.

However, getting to the Navy’s assessed need of 355 ships will not just rely on destroyers alone. We’re also going to need additional small surface combatants. We’re exploring every option. And I will tell you that everything is on the table. If reactivating a few Oliver Hazard Perry-class frigates to bridge any gaps in capability makes sense, we’ll take a look at it. But we need to ensure that reactivations make sense from both a technical and financial point of view. But anything like that would just be a stopgap measure. Most importantly, we need to get our next-generation frigate and littoral combat ship mix correct. Both type of ships offer a lot of opportunity to enhance our capabilities, but we have to make sure the process has the correct metrics so we can score value and quantify results. We must doggedly pursue efficiency. Current fiscal reality demands it. Our responsibility to American taxpayers require it.

Using existing technology to deliver capability and flexibility in the most cost-effective manner will be crucial. As we built more, I’ll work to ensure that the process in place to ensure continue quality assurances are working, and to ensure that lessons learned are lessons applied. We must focus on speed, value, results, partnerships in the pursuit of improved processes. Speed, combined with cutting of red tape, will help us reduce waste. Aiming to find the best value in our entire decision-making process provides the best mix of assets to our people. Pursing courses of action based upon proven results is simply smart business. And partnerships, especially with the industrial base, will identify efficiencies in our hunt for new capabilities and technological advancements.

Again, the Navy/Marine Corps team cannot do this alone. We need industry not just to meet us halfway, we need industry to challenge themselves to meet the challenge we face. And we look forward to working with them in partnership. Last week, I issued a memo to the
Navy/Marine Corps team, challenging everyone in the Department of the Navy to examine their goals and to align with my priorities: people, capability and process. For too long, we’ve been distracted from our core calling. By weighing every decision I made with my three priorities in mind, I aim to bring back the focus onto readiness and lethality.

In spite of the many challenges to come, though, I ask you to be encouraged. Be encouraged because the Navy/Marine Corps team trained to deliver the fight tonight. The men and women of the Department of the Navy are always on guard, forever forward, to ensure that those who are thinking about doing harm to the United States think twice. Thank you.