Remarks by the Honorable Richard V. Spencer
Secretary of the Navy
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As I come up here, I want to say, it truly is a pleasure to be here and see some familiar faces and meet some new people. What you all do as an institution has meaningful impacts. I have been working on the other side of the Navy and Marine Corps team, as vice chairman most recently of the Marine Corps Heritage Foundation which, for those of you who have not wandered on down to Quantico, Virginia and Marine Corps Museum, you’d be amazed at how much of the Navy interlaced is spread out there in the museum. It’s a terrific organization.

But you all have an amazing fabric that you have as alumni. And I’m going to go into something after I give my comments here to address where I will need your help. So hold that thought. I’ll go through some prepared remarks and then we’ll just end with Q&A because my theory is you don’t want to hear me bloviate. You’d much rather ask questions and hear what we have to say on the other side. But I want to thank Admiral Thorpe for the introduction.

Your foundation’s mission to honor and support the Navy is an imperative one. In that spirit, I’d like to recognize a man that I’ve worked with, going back for a little while there, on the panel, Admiral Harvey, who’s just an amazing ball of energy, as you all know. And thank you for your 39 years of faithful service. And you’re now off to work with Mr. Chu at the IAEA, and fair winds on that. That’s terrific. I’d also like to thank everyone that – who’s here today, but if I look around at the gravity of the people here, I’d be here till noon saying good morning and recognizing everyone. So I’m going to move on.

While I was in my little hidey-hole office, where I wasn’t allowed to wander around the Pentagon, prior to confirmation, I did do a lot of thinking about the Navy and Marine Corps team, and where it’s headed, but more importantly where it needs to go. And that’s probably one of the most important handles that the Secretary of the Navy wears. Three of us – being the commandant, the CNO and the Secretary of the Navy – are probably the only people who really are charged with looking out beyond three FYDPs and knowing and trying to help and plan where the Navy and the Marine Corps go.

We need to know, you know, what our mission really is – which might sound simplistic, but we truly are constantly focusing on that because if you go out five years, 10 years, the technology could change the landscape dramatically. I think you’ve heard me in testifying – they said, you know, where are you going, 355 ships? I totally agree, we need to grow the fleet for a bunch of reasons – presence, posture, and delivery of force. But I can’t tell you I know what a ship looks like 15 years out. So I wanted to make sure everyone understands where I was coming from. I wasn’t hedging a bet. We really do have to understand technology and get our hands around it when we start looking out forward.
Last week I sent out some guidance to our Sailors, our Marines and our civilian teammates and laid out our mission as I see it, from my points of view. Simply put – and I want to make sure everyone understands that we really are focusing on this because I think we wandered a bit – but our mission is to deliver combat-ready naval forces to win conflicts and win wars around the globe. We are warriors. And it is a – you hear me talk about the tip of a spear. But a spear has to have a shaft also. And a spear goes in one direction. The analogy is the hallmark of where we’re going forward.

Obviously, there are other things that naval forces can do, should do, and we are doing – things like maintaining security, deterring aggression, providing humanitarian relief. As an update to you all, if you don’t know, we have the Kearsarge and the Oak Hill and the Virginia in the Virgin Islands and Puerto Rico. In backup, we have the Iwo Jima and the New York, which are on-loading right now in Norfolk. As we prepare for what’s going to happen in Florida, but if we can also on-land international relief to the Virgin Island/Puerto Rican area, we’re going to do that also.

Winning conflicts, wars, is always going to be our bread and butter. But it’s very important that we intermesh with our community. And our community is all Americans. It’s easy to say, but clearly not easy to actually do. This is especially true, I think, in light of the current emerging challenges. And if we look at where the Navy was 30 years ago when I interfaced with it – wow, it’s even going on 40 years ago – and you look at the changes, the technological leaps that put affordable new capabilities in the hands of non-state actors has changed the landscape tremendously.

The renewed aggression from competitors who are quickly approaching peer-like military capability. We’ve enjoyed that gap for many years, where we were many steps ahead of our near-peer. That is closing. Couple that with budgetary uncertainty, which makes sustaining readiness really an issue. And we’re seeing some of the payback of that right now. But these don’t even begin to scratch the surface. I mean, so, in the challenging world, how can we do this better when it comes to readiness, modernization, and lethality?

We start by being smart – the way we recruit, train, equip, organize ourselves. And I believe we can do these things better if we set around the priorities that I laid out – which are people, capabilities, and processes. The first priority, people, it’s easy to say that’s a cliché. Everyone cares about people. But we can’t forget that our military and civilian workforce is our greatest resource. Ships, planes are simply hunks of metal that can’t do much without the human interface. And when I look around and get out on the deck plates, the marching fields, the Marine, Navy organizations, and see our Sailors and Marines, it truly is amazing.

Recently I spent a couple of weeks on the road visiting our folks and families and civilian teammates – because we are one team together. And I saw them in action and really heard from them directly. Didn’t speak much, but opened it up to Q&A. And I’ll tell you what, they are not afraid to ask questions. And another thing that was fascinating was they are paying attention. Whether it be social media, national news being delivered electronically, they know what’s going on. Leadership has a whole new aspect to it when it comes to our whole governmental
organization because they know what’s going on on the Hill. They know how we’re reacting. And we have to be aware of that and be able to address it currently.

I was on the Gerald Ford. We went to Camp Pendleton, a bunch of locations in between, Tennessee. And I think what struck me the most is the – just the energy, the skill set, the knowledge that every single Sailor and Marine I spoke with exuded. I mean, it really was invigorating. It made coming back to the five-sided wind tunnel to do battle with the budget well worthwhile.

They’re the tip of the spear at sea, and they’re heroes at home. Right now, we’re only beginning to get an idea of how devastating Hurricane Harvey was. But as the waters rose and the shouts came out for help, I hope all of you were tuned to national network, because Navy was front and center. We had helicopter squadrons HSC-7 and -28 were in action. We had – reporters were embedded with them. On the first day of our call for service to our country, we rescued 227 people. And that is the Navy at the ready. (Applause.)

The lives they saved in Houston are a reminder of how serious our work is. And to show you and share with you how amazing the emotional rollercoaster is, we were out with the Marines on the West Coast at Camp Pendleton, jumped a red-eye flight back to Dover, and I’m reminded of the danger that we really work with. The CNO, the vice CNO, on and on. I met with the families of the fallen on the John McCain. Our Sailors and Marines are truly patriots, and the emotion on that occasion really drove everything home.

If I could do one thing to spread to our country and our leadership on the Hill is the feeling of being with those families in their moment of grieving, and hearing their reaction. Not one of them – not one of them in anger. All of them saying: My son knew what he was doing in the Navy. He loved it. Please make good come from what they did. And we will. I’m going to go into a little later what we’ve set up as far as committees. It’s going to dovetail back into what I’m going to ask of you all.

As I said, we’re going to confront these problems. You’ve heard about the CNO’s penning through Vice CNO Moran for the study that Admiral Davidson will conduct. So you all understand what’s going on in that regard. He will be doing more a tactical review of where we stand in the small world, and how the Navy’s operating in the surface warfare world. The study that I’m setting up is more of a 30,000-foot level. And we’re reaching out to some people who are not the usual suspects to help us.

The team will have representatives all from the private sector. It’s going to be headed up by Mr. Michael Bayer, who some of you might know. He’s the chair of the Defense Business Board. He also was on the Pan Am 103 investigation. He’s done this before. Admiral Gary Roughead will be his right-hand man on this committee. We’ve called up and gotten absolutely amazing responses as we were kind of thinking this through and I was out on the run. I said, how can we approach this differently? Because we have to address a fundamental shift we’re going to make, or a return we’re going to make, to a culture of safety. And that sounds trite in some ways because safety is painted everywhere, but we really have to get back to safety being a theme, and a cultural touchpoint.
I reached out to John Minge, the president of BP North America. And we had a long talk about how they went through Deepwater Horizon, and how they came out the other side, and the construct that they’ve been corporately adjusting their culture as how it approaches to risk management. Crowley Marine. Spoke to Tom Crowley, had a great conversation with him. They had a bit of a – as he called it, we had an ocean rash for a couple years, bumping into things, and they started their road to zero program. And he’s part of the team that’s going to be sharing their lessons learned. Boeing, their program safety integration across the enterprise was a full enterprise cultural adjustment that started at the board of trustees – I mean, board of directors, all the way down the to the floor. Doesn’t happen overnight.

And here was one that I read some studies about two years ago and I called up a fellow by the name of John Noseworthy – Dr. Noseworthy. He’s the CEO of the Mayo Clinic. The Mayo Clinic, as you all know, does some cutting-edge work in the medicine world. But I said – doctor, I said, I remember reading some studies that you all did on high-pressure environments, teamwork in the operating room. And he proceeded to tell me what they had done over the last seven years and the papers that they had produced and the learning curve they went through when you walk into an operating room where there is the surgeon, there is the anesthesiologist, there is the pulmonary expert. Same thing as the bridge of the ship, excuse me. And there is direct correlation. He is on-loaning us all the resources that we need to help.

Maersk Line – Maersk has safety in motion. Soren Skou, who’s the CEO, we had a 45-minute conversation. And to hear the energy that each one of these persons said: How can I help the U.S. Navy? And with this – if we’re to take these events that have happened over the last year or so – we will mourn our losses, don’t get me wrong. But I truly believe this is a glass half full. It’s cleared the deck and cleared everyone’s heads and eyes to say let us take a meaningful approach to do a reset, a move towards a culture of safety, a move towards thinking differently up and down the ladder.

The committee that’s going to produce my review, again, 30,000 feet. It has free reign to address anything it wants – the Inouye amendment, the way that the Joint Chiefs task. Will they dance next to Goldwater-Nichols? If they want to go there, they can go there. We’re going to use this as a meaningful event to change things for the better. And where I get to the – hopefully get to the bottom of the issue, but more importantly the issue – we’re going to define the issue first and then move out on it.

Our people, who are willing to make the ultimate sacrifice, deserve the best. And we deserve – we must provide this for them. We can ensure they have it by improving the policies, our programs, our training. None of these have been perfected yet, and we need to really get our heads around that. We are an organization – the Marine Corps/Navy team – that is biased and it’s biased for success when they make a decision to step up. We have to get to the mindset that we can continually improve through cycles of corrections.

Our capabilities come from people who are well-trained to use their equipment. Right now, our capabilities currently exceed those of many other nations. We are punching way above our weight, but our advantage is shrinking. To regrow it, we’ll need to concentrate on training,
modernization, maintenance. Operational demands have taken their toll. For many of you who watched the vice chief testify yesterday, I really believe that was a healthy conversation with the Hill. As I said, we’re biased to action and “no” is not a word that easily is in our lexicon. And we have to visit that.

Operational demands aren’t going to go away. They’ve also put modernization and maintenance on the back burner. But I’ll tell you what, we’re committed to working with the Hill to find the resources necessary to correct this. But it’s not just resources from the Hill. We need to do work in our own house – training, the way we purchase, there’s a lot of room for us to improve. And there are a lot of great practices out there that we can adopt.

Along that line, I’m committed to working with industry to increase the gap. As we step out to reset readiness and build the 355-ship Navy, I completely realize it’s going to be a significant undertaking. Don’t think I’m naive to that. It’s going to take large amounts of capital, large amounts of material, large commitments of human resources. And I’m looking forward to working with suppliers. I was talking to our friends at GE right here, and HII. We have to learn – the Navy acquisition process – how to become a good client, a good buyer. And we also want our suppliers to come to the table being good suppliers – not that they aren’t. But I want to foster this feeling of partnership.

It is out there, don’t get me wrong. I want to enhance it. We’re not simply buyers of the best equipment at the cheapest price. We have to focus on sustainability of a relationship. I have to know what the sellers want. And the sellers have to know what I want as a buyer. And we will have an atmosphere of partnership, where shared risks equal shared benefits. We’re in this fight together.

We’re going to have to be careful how we do that, because we’re required to be good stewards of the taxpayers’ dollars. We’ll be asking our supplier communities to provide robust solutions to our requirements. The basis of our partnership is built on exactly what I just told you: Shared risks equal shared benefits. And we’re seeing true partnerships. We need to work together to support the security of our nations and our allies, our interests and, as one of our main jobs, keeping the arteries of free trade on the ocean wide open.

History then shows us that remarkable things can be accomplished when the Navy and our partners in industry combine together. Fifty-nine years ago, the Navy completed a 72-hour simulated flight. That might really not sound that remarkable, but it was at extreme altitudes where they were simulating a new pressure suit. That suit was a joint venture between the Navy and a company called BF Goodrich. And it would end up being developed into the spacesuit worn by the Project Mercury astronauts. NASA is ultimately a civilian enterprise, but many of the technologies that help with the space race, as you know, like that suit, originated in partnerships between industry and the military.

There’s enormous risks that produce enormous results. And the world is still benefitting today by what happened during the space race. The potential for our partnerships to produce remarkable things is easy to see when we think about capabilities. But I think we can gain from industry when it comes to improving the way we go about our business or, what I like to call, our
processes. If we look at what industry has learned, we need to adapt and evolve over time. We, in the Navy, have been a little bit slower than industry, in certain aspects.

However, we have to improve our processes if we’re going to meet the future challenges we’re facing. When there’s financial and fiscal uncertainty, we need to drive efficiency. Industry can teach us where to find those efficiencies. When adversaries become more capable, we need to maintain our advantage. Innovation from the private sector can teach us valuable lessons when it comes to things like acquisition, manpower, research, and operations. We need to leverage industry’s leading practices. You can be sure that we’re ready to adopt and implement these new ideas with open arms.

We’re the greatest naval force ever known. But I believe we can do better. We must do better. We’re going to restore readiness and increase lethality. We’ll do that by focusing on people, capabilities, and processes. I can tell you honestly that I truly am humbled here to be the 76th Secretary of the Navy/Marine Corps team. It was 36 years ago, as you heard, that I drove out of the gates at Marine Corps Air Station Tustin, which no longer exists. But I’m committed to you all. I’m committed to the institution and the legacy of the Navy.

I need to call on you to help us take care of our people and enhance our force. Help us improve the policies, the programs, training that impact all of their well-being and readiness. Help us improve our capabilities. If you’re here from industry, you’re partnering with us. I do know that. We need to step up the game because the footsteps of our near-peer competitors are very, very close. To all our friends today, I say help make our processes better. Help make our Navy better. Help us do business better. And I welcome your help. Thank you very much. (Applause.)