

Ted Fioraliso Interview with Secretary of the Navy Richard V. Spencer
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TED FIORALISO: Mr. Secretary. You're now three months into the job. What's it been like for you?

SEC. SPENCER: It's been a fascinating job, Ted. From day one, the way this building works is they'll spool you up, you go in and you get confirmed – which is a process unto itself. And then you're in the deep water. There's no life preserver. There's not wading in. You dive in and you're at work. It's a – it's an awesome job in the way that is truly awesome. The responsibilities are wide and far. The problems are meaningful and impactful. You have highs and lows. You see sailors and Marines graduating from boot camp, and then you fly down to Dover to have dignified transfer of remains. So emotionally it's highs and lows, ups and downs. But overall, it's a terrific job.

MR. FIORALISO: How does a former Marine, investment banker and business owner become the next secretary of the Navy? Tell me how that happened.

SEC. SPENCER: It's fascinating. When Secretary Mattis had called up and said would you like the job, I was reading some of the tags underneath the articles that ran. And the first thing people said is don't read the tags. But there were four or five going what in the world does a guy from Wyoming know about the Navy? For the past eight years, while I was living out in Wyoming, I was on the Defense Business Board, which is a group of CEOs that advise the secretary of defense on various matters where there's probably a civilian, or what we call private sector, solution, to his problems.

So I've been around the building for about eight years. The last year of that was on the CNO's executive panel, the chief of naval operations executive panel. So I had enough knowledge to know what the antibodies in the building can do to ideas, how do you maneuver in the building, and enough to be very dangerous.

MR. FIORALISO: So how has that been going? I know you put out a memorandum. You talked about, you know, efficiency and wanting training and modernization. Have you been able to make any of those things happen so far?

SEC. SPENCER: Ted, we're moving the needle. It's fascinating. The Secretary of Defense has said, it's modernization, it's hug your allies, get the word out. The three priorities that I have here in the Navy are people, capabilities, and process. And specifically, what we mean is people are your most important asset. What we have out there are pieces of aluminum and pieces of steel that sit on the water or try to fly in the air. None of them do anything without the human being being in involved. Our sailors and Marines are the most amazing people that we garner from all around the country. A lot from Wyoming. Some of our best candidates.

And we have to give them an environment where they're constantly challenged. And we're doing that. One of the ways we're challenging them, Ted, is we are turning around and asking them to be the problem-solvers for the problems that they see. There's no better expert than asking the person who's looking at the problem. So we're really trying to turn the culture and say, hey, help us with the problems. Don't expect us to come down and help you, because you know it much better than we do.

When it comes to capabilities, that's the ability to punch heavier than your weight class. We have all the assets that we presently have in our arsenal. And we have to realize ways to use them in a more impactful manner. So we have to increase our capabilities. That being said, you've heard the 355-ship Navy. You've heard of us buying the F-35. We are increasing our capabilities also, but – along with capacities. So both are being increased. And then in the end, process. It all comes down to process, whether it's how we buy things, how we manage people. We really have to look outside the building. We've done some terrific work in the past 15, 20 years on how to garner great practices from the private sector and other entities. And we must keep doing that, because the competition is getting closer, faster, and more furious.

MR. FIORALISO: Sounds very much like the president. He's a businessman as well, wanted to bring his business background to the Oval Office. Is there sort of a comparison here to what you're doing?

SEC. SPENCER: Well, if you look at – it's fascinating. Everyone goes: What's it like to work in the Navy now? Well, my job is actually defined by Title 10, section of the U.S. Code. And that is to man, equip, train, supply, and deliver, amongst other things. But if you look at that, that's a business. I am buying raw materials. I am building weapons. I'm building ships. I'm building planes. And I'm providing those services to the combatant commanders. So in the full sense of the word, it's company.

MR. FIORALISO: It's budget season, as you know. The president has asked for a \$52 billion increase the defense budget. Lawmakers right now are working on the NDAA to sort out how much you'll actually get. What is your message to those lawmakers who are in this budget talks right now?

SEC. SPENCER: The message to the lawmakers is the same message that I am in lockstep with the secretary of defense. It took us 16 years to get in the readiness situation that we're in. We're not going to get out of it overnight. '17 and '18 were deposits on bringing readiness up to measure and beginning modernization. '19 and on forward is modernization and growth. Would be really happy with an increased top line as we see the numbers roll out. We do have goals across the board. We have some submarines to build for the nuclear triad. We have ships to build for the surface fleet. We have aircraft to build for the air side of the equation. And then we have people that we have to take care of. It all takes money. So obviously would like to see an increased top line so we can get modernization underway and keep the build program going.

MR. FIORALISO: And then how do you balance that with efficiency?

SEC. SPENCER: Ah, well, that's a great point, because we do, inside the building – I'll be – I'm the first one to admit that we need to reform the way we spend monies and the way we go about and do things. The deputy secretary has this well underhand. He's rolling out reforms as we talk. Some of them are low-hanging fruits or, as we say, brilliant flashes of the obvious. Some are a little more arcane and really need to have changes in the law. But we're addressing all fronts because, at the end of the day, as far as the service chiefs go, my fiduciary responsibility is to buy the best I can for the best value for the taxpayer.

MR. FIORALISO: I'd like to ask you about North Korea. You know, I've heard that they could have a missile that could strike the Western continental U.S., including Wyoming. How big is this threat?

SEC. SPENCER: It's a threat that – you bring up the U.S. And obviously, that is a big threat. But it's a threat to the whole region also, which we cannot afford. If you look at the Navy and Marine Corps team, our job is primarily your most forward-deployed force to keep the sea lanes open and commerce flowing. And when needed, deliver that kinetic punch and deliver the fight tonight when the balloon goes up. One would hope that Korea and its bellicose nature will reach its hand out and have conversations with us.

I mean, one of the most amazing, powerful constructs we have in the new administration is the two-plus, which is the Mattis-Tillerson team, where Secretary Tillerson is saying: Please, let's talk. Otherwise, you're going to be talking to my cohort here. And that's not going to be a conversation. It's going to be a one-way delivery. We hope to get them at the table, whether it's through coercion and help from our friends in China, Russia, whatever the case may be, because the outcome for the kinetic side is not an attractive one at all.

MR. FIORALISO: What is the Navy doing to keep Americans safe?

SEC. SPENCER: Well, as you know, we are always out there plying the waters under the Freedom of Navigation Act. And we do that intentionally. It's a process that makes sure that our commerce lanes are open and free of – free to flow. Right now, in the Sea of Japan, we have three aircraft carriers. We haven't seen them over there in about eight years or so, to have three on. It gives us a great ability to train, because it's a unique time and we have all three carrier groups and strike groups out there simultaneously. So it's a terrific training environment for us. And I think it also shows the flag.

MR. FIORALISO: I'd like to go back to Wyoming for a second.

SEC. SPENCER: So would I.

MR. FIORALISO: Yeah. (Laughs.) How did you get there? You've been all over the county, all over the world. What brought you to Wyoming?

SEC. SPENCER: Yeah, it was a really interesting story. When I was still in the Marine Corps in 1978, I believe it was an airline called Western Airlines, which was gobbled up, I think, by Delta a long time ago, had a nonstop flight from Orange County Airport out to Jackson.

And three of us went out for one weekend to ski. And it was so amazing that I went out for four more weekends. And at the end of that, I got my VA loan and bought a condo at the bottom of the mountain. And that was my grub stake, with a total promise to myself I was going to retire out there, which in 2007 we moved out full time.

MR. FIORALISO: OK. And I know you have so many ties to the community still. You sit on the Community Foundation of Jackson Hole, Teton County Search and Rescue Foundation, Honoring Our Veterans, which helps wounded vets. Do you want to continue, you know, having a stake in the game there?

SEC. SPENCER: One of the most unfortunate things, Ted, is when you join this august organization here called the Department of Defense, you have to shed every single one of your board positions, including those that are charity oriented, which is really sad. It's great to keep in touch with everybody back in Jackson – which, by the way, a big shout-out to everyone out there. Polly and I thought we would get back once every month and a half. And I have to admit, whether it's just spooling up on the job or the fact that the – the pace of the job, we've just not had an opportunity to get back home. We're going to be over with the sailors and Marines over the holidays Afghanistan and Iraq over Christmas. So unfortunately, both the holidays are already taken. But I hope to be on the slopes – maybe be seen on the slopes sometime in the winter.

MR. FIORALISO: Thank you, Mr. Secretary. Thanks for your time.

SEC. SPENCER: Thank you.

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