

**Sea Air Space**  
**ASN RD&A remarks**  
May 6, 2009

Good afternoon, and thank you for this opportunity to speak on behalf of your Navy and Marine Corps.

This week has served as a great opportunity for us to reflect on the capabilities of our naval services and operations underway across the globe today.

At this moment, deployed ships stand vigilant on distant seas.

IKE is turning into the wind 10,000 miles away.

BAINBRIDGE is conducting counter piracy operations off the Horn of Africa, and Twenty Aegis ships are poised to respond in the Gulf, the IO, the Med, and Western Pacific. Peacekeeping and humanitarian operations are performed with professionalism and compassion throughout the world, and

Marines and Sailors keep lit the torch of freedom in Iraq and Afghanistan.

All the while,

Forces stateside stand ready to respond to global crises –

- including events we cannot even contemplate today.

This is your Navy and Marine Corps.

Inarguably,

The *strength*, indeed,

the *success* of the Navy/Marine Corps team is inseparable

from the qualities, the skills and dedication of our young men and women in uniform, both active and reserve,

who are serving honorably and courageously

to promote and defend our national interests around the world.

They do so *often* at great personal risk and *always* at significant sacrifice to themselves and their families.

And we, in this room - - and our counterparts in government and industry -

We must be singular in our purpose and in our actions

to take care of these men and women.

As members of the naval service and the Navy League,

We take pride in reminding our sister services that

We are a maritime nation, that

The security of our nation,

The strength of our economy,

The face of our diplomacy,

Are built upon the Navy's ability to maintain global presence...

To exercise freedom of the seas in times of peace,

And command of the seas in times of war.

The fact is, however, that our Navy's proud heritage had quite humble beginnings.

It was not until the early years of the past century, when an enlightened president launched the Great White Fleet, that the United States first gained recognition as an emerging naval power.

And that era threatened to be short-lived.  
For in the aftermath of the First World War, America was quick to dismantle its Navy.  
It was a time of peace, and it was a time of economic upheaval.  
And America,  
protected by our two great oceans,  
seemed content to slip back to being a third rate naval power. And so it would have been,  
save perhaps for one voice that emerged in dissent of such decline.

In his history of the US Navy, Samuel Eliot Morison leaves us this description of that time,

“The American people,” he wrote,  
“allowed their armed forces to drift into obsolescence.  
The Army was neglected as much or more than the Navy,  
which Congress did not allow to be built up,  
and Congress would probably have done even less but for the Navy League,  
a civilian organization dedicated to keeping the Navy in proper shape.”

That was true of the Navy League then, and it remains true today.

And what shape is our Navy in, today?

Secretary Gates has pointed out that our Navy is greater in size than the next 13 navies combined. And eleven of those navies are our friends and allies.

But, we do not rest.

The fact is that we command this position due in large part to prudent decisions made by our predecessors – some twenty-five, perhaps even fifty years ago. Such is the nature of naval forces – that we must take the longer view. Decisions regarding the fleet’s capabilities for the distant future are before us today. But, so too are decisions regarding the fleet’s capabilities for the here and now. And for a nation at war, the “*here and now*” carries much weight.

The “*here and now*” requires armor, mobility, personal protective equipment, persistent ISR, vertical lift, distant logistics support, medical care, and yes, bandwidth, for the boots on the ground.

So, we have mobilized the best of government and industry to deliver such capabilities as Mine Resistant Ambush Protected vehicles, improved body armor, precision weapons, the MV-22 Osprey, and unmanned aerial vehicles to the combined theaters in numbers to meet the commander’s needs today, while we work on the next generation systems to meet tomorrow’s threat.

In doing so, we’ve had to wrestle with the burdens of a requirements, budgeting, and acquisition process that in its method was inadequate in response to the urgent needs of the warfighter. In the end, people prevailed over process.

It’s worth a moment to tell the story of the Mine Resistant Ambush Protected vehicle, or MRAP.

In 2006, our marines were operating fewer than 100 MRAP-type vehicles in Iraq, using them for route clearance and explosive ordnance disposal. As IEDs and roadside bombs took their deadly toll on HUMVEEs, the Marine Corps drew attention to a compelling statistic: When an MRAP gets hit by a roadside bomb, the crew survives.

So. Their requirement. *Their urgent need*, increased from about zero in 2007 to about 2500. With the other services quickly following suit, in short order there was a requirement for over 15000 MRAPs in theater. The realization that these vehicles provided our best defense against the number one threat to the troops in Iraq caused the Secretary of Defense to throw the full weight of the Department into building MRAPs ...

...and America’s great industrial might became our great military might as production increased 25-fold, to over a thousand per month.

Meanwhile, SPAWAR Charleston ramped up an integration facility to outfit the combat vehicles, and TRANSCOM built a virtual bridge across the Atlantic transporting these vehicles to theater at a rate to match their production. Countless lives saved and crippling injuries averted.

It’s a page from President Roosevelt’s statement on war production in World War Two, “Speed and volume of war output are the primary conditions of victory.”

But, we do not rest.

The “*here and now*” is a fleet of 283 battle force ships, about half of which may be underway on any given day supporting combat operations, building global partnerships, providing international security, performing humanitarian assistance and disaster relief, prosecuting pirates, testing future capabilities, and training for future operations.

Beyond numbers, the quality of the force – our ships, aircraft and weapon systems – are unmatched at sea. And so, it would be easy to take comfort in knowing that for the next decade and certainly beyond, the Navy and Marine Corps stand ready to respond to major conflict with a force of Nimitz Class carriers, Navy and Marine Corps F-18 squadrons, AEGIS cruisers and destroyers, the Standard Missile, and Tomahawk...  
...because these are the most capable naval warfare systems in the world, today.

But, we do not rest.

Events of this century point toward a future that must increasingly contend with irregular and asymmetric threats. But too, we must pace the capabilities of rogue states and emerging naval powers that would intend to challenge our influence and the regional security of our friends and allies.

In the face of these growing challenges, the CNO has outlined requirements for the future force – what we refer to as the 313-ship Navy. In fact, Admiral Roughead has emphasized that 313-ships represents ‘the floor,’ if we are to meet the full range of missions confronting the Navy, two-thousand-twenty and beyond. It’s more than numbers, however.  
The Navy is moving to close gaps in our capabilities.

To this end, as announced earlier by Secretary Gates,  
We will restart DDG 51 construction in 2010 to provide increased air and missile defense to meet the demand signal from the combatant commanders.  
The success of the Aegis system against ballistic missiles, demonstrated through at-sea testing - and too, through real world performance against an earth-bound satellite – provides a solid foundation for this mission.

And we will continue production of the F-18 Super Hornets in 2010 while we simultaneously increase production of our fifth generation aircraft, the Joint Strike Fighter, with an eye on both, stemming potential near-term shortfalls while ensuring far-term dominance in TACAIR.

At the other end of the warfare spectrum,  
We are increasing production of the Littoral Combat Ship to deliver this needed capability to the Fleet. The reality is that the book on the LCS has yet to be written...we know there are many challenges ahead as we ramp up construction, tackle affordability, and learn how to best operate and support this new class... but we’re confident that the utility and flexibility of this ship will prove indispensable in future naval operations.

The 313-ship Navy. 202K.  
11 carriers. The Marine Air Ground Task Force.  
Surface Combatants and Subs.  
Open Architecture.  
Amphibious Lift.  
TACAIR. Rotary. Maritime Patrol.  
Armored Vehicles. Unmanned Vehicles.

Today's vision for the future Navy and Marine Corps will be challenged, debated, and ultimately shaped by the Quadrennial Defense Review. Regardless the service or the position brought to the table in that process, the underlying requirement – indeed -- the pressing challenge the Department will face is affordability.

This is not a new challenge, but it has taken on new dimensions.

I have made reference in the past to the works of a gentleman by the name of Ron Fox that is worth repeating here, today.

From the Harvard Business School, and former Assistant Secretary for Acquisition, Ron published a comprehensive study of *How the US Buys Weapons*, titled *Arming America*. More recently, he updated the study in a book titled *The Defense Management Challenge*. In the preface to this later book, he writes:

*"I discovered that most of the problems reported in Arming America still existed; indeed some had become worse... costs had increased at a rate greater than the rest of the economy, and reports of program technical shortfalls had increased... dissatisfaction with the defense acquisition process [was widespread]. Congress, the press, and informed citizens demanded change, and government officials promised change."*

Those are tough words, written by one with clear insights to our business. The irony is that those words were written in 1988.

Ron goes on to write:

*Numerous commissions during the past twenty-five years have repeatedly urged the Defense Department to correct five basic deficiencies:*

Listen closely, these should sound familiar...

- 1. Setting requirements to procure the most sophisticated systems attainable, often irrespective of cost;*
- 2. Underestimating schedules and cost of major programs;*
- 3. Changes. Changes to contract requirements caused by changes in military user preferences, leading to frequent changes in program funding;*
- 4. Lack of incentives for contractors and government personnel to reduce program costs; and*
- 5. Failure to develop sufficient numbers of military and civilian personnel with training and experience to oversee these enormous, highly technical industrial programs.*

The issues facing defense procurement in 1988 remain the issues in our day.

HL Mencken once wrote,

“For every complex problem, there is a solution that is simple, neat, and wrong.”

Well, ours is a complex problem...and while there are a number of initiatives today to improve on rules and regulations in defense procurement, the Department’s leadership understands that the solution lies in continuity and not quick fixes.

A disciplined process governing the Navy’s decision-making in ‘the Building’ is a good start. We think we’ve built the right process – the gate review process. Now we just need to follow it.

Further, however, we must also tackle the skills and commitment required to deal with difficult industrial cost-control problems.

For in the end, maintaining and modernizing today’s force ...affordably... cannot be accomplished without a healthy industrial base, and likewise, cannot be accomplished without a healthy acquisition workforce.

Ask industry, and solutions to addressing industrial base health involve stability and volume.

We’re committed to driving stability into the plan.

The agreement with industry to build the 3 DDG 1000s at Bath Iron Works while focusing the restart of DDG 51s at Northrop Grumman is a fine example.

However, we must go much further.

In lieu of volume, since the wall came down, defense turned its eye toward low rate production of high end, ‘exquisite’ warfare capabilities. We must shift that balance, or once again the past shall serve as prologue in defense procurement.

Meanwhile,

We have a plan for strengthening the acquisition workforce.

We’ve initiated actions to increase our professional corps by 5000.

Needless to say, it is not enough to merely increase the number of government workers, but rather we must restore the core competencies inherent to the government.

The challenge before us is great, but so is the need.

And today, we have the support – indeed the direction – of Congress and the Department.

And too, we look for your continued support.

For today, we do not rest.

Today, we begin.

Thank you.