

**Admiral Mike Gilday
Chief of Naval Operations**

**Defense Writers Group
Project for Media and National Security
George Washington School of Media and Public Affairs**

5 April 2021

DWG: Our guest is Admiral Mike Gilday, Chief of Naval Operations of the United States Navy. Thank you for joining us.

Gilday: Thanks for having me today.

DWG: Admiral, why don't I start by asking you to tell us kind of what you're working on. How things look from your seat right now. In particular, as you try to make sure that you have a Navy that's ready for potential future conflicts.

Gilday: I issued my Nav Plan in January which really took a look at focusing our Navy's efforts, our investment strategy really, in this decade to deliver meaningful and relevant joint capabilities into the '30s. So I was focusing on four different areas. One was capability, the other was capacity, a third was sailors, and a fourth was readiness.

Within those four bins there are 16 different discreet areas that we're focused on and we brought together all the flag officers in the Navy the week before last and we spent five days focusing our discussions on implementation across those 16 discreet areas. In other words, we need to deliver. I'm focusing on less talk and more action. And that's what I want to focus on during my next 2.5 years as CNO and then set up my successor hopefully for success in maintaining a strong focus on those areas which will deliver a lethal force into the future.

DWG: Thank you. Turning first to Michael Gordon of the Wall Street Journal.

DWG: Admiral, can you tell us what your most important initiative is to advance the National Defense Strategy, and perhaps particularly what you hope to get out of the Northern Edge Exercise coming up in May?

Gilday: Sure. With respect to what's on my mind in terms of things that I must deliver for the Joint Force in order to better

Admiral Gilday - 4/5/2021

support the National Security Strategy, the interim strategy that we have right now. First and foremost is we need a ready force. That's been my priority since I took over. As you know, Michael, 70 percent of the fleet that we have today is going to be in the water in 2030 so over the next year I want to continue to focus on driving down delay days coming out of maintenance for our ships and submarines down to zero. We've been able to do that successfully in the aviation community, specifically with Super Hornets and maintaining a steady 80 percent mission capable rate for the past 20 months. I want to do the same thing with what has been the Achilles heel of our force generation framework and that has been maintenance. Getting ships out of maintenance on time. So that is a key priority for me.

In terms of delivering future capability, delivering the Columbia Class submarine, the seaborne strategic leg of the deterrent or the next generation thereof, is also a no fail, must deliver on time focus.

Then you may have seen guidance that I put out with respect to a concept called Task Force Overmatch. That is the Navy's contribution to JADC2, or the Joint All Domain Command and Control. I can speak to that in more detail during the Q&A. but I think we have to put ourselves in a position of advantage not only to command and control a hybrid fleet of manned and unmanned vehicles in the air, on the sea and under the sea, but also to put us in a position of advantage with respect to decision-making against our key adversaries.

So our OODA Loop has to be tighter than their OODA Loop and JADC2, the Navy's contribution to JADC2, I think we're on a very good vector right now with four substantive spirals this year, testing and evaluation that begins to deliver that network of networks that I think we so critically need this decade.

I'll pause there.

DWG: Thank you. I'll let others follow up.

DWG: Gina Harkins at Military.com. Do you have a question?

DWG: I do, thank you. Thanks for being here.

I wanted to ask about the findings into the Marine Corps' AAV accident since the Somerset was involved. The investigation

Admiral Gilday - 4/5/2021

found there was no safety boat in the water and the ship was moving away from the vehicle's location. I was just wondering if you could provide any insight on steps you're taking on the Navy side to help prevent something like this from happening again.

Gilday: Thanks, Gina.

I met personally with the Commandant after the investigation was done and what we discussed was the fact that there are gaps and seams where there shouldn't be gaps and seams in Navy/Marine Corps operations at the tactical level. So these are combined operations that we've been doing for some time now, and to have a separate requirement on the Marine Corps side and the Navy side just doesn't make sense.

So our first order of business, and I've directly talked to a three star officer on the West Coast that I put in charge of this for the Navy, but I've charged him with getting together with the Marine Corps and first and foremost ensuring that the standard instruction for amphibious vehicle operation is indeed standardized and joint between the Navy and the Marine Corps and that we develop it together and that we operationalize it together. Then we need to expand that effort. What the Commandant and I agreed to do is to take a look more broadly across the range of tactical operations that the Marine Corps and the Navy does together and where there are disparate and stovepipe operating guidance, they need to be combined and agreed upon by both services.

DWG: Thanks. I'm wondering if the recommendation Task Force One Navy made to take a look at ship names are moving forward? Are you going to be considering renaming any ships?

Gilday: That effort is going to be tied into the Commission that the Secretary of Defense just stood up, also taking a look at the names of our bases. So all that will be rolled up under one commission for the Navy. We're going to take a look at ships and we're going to take a look at buildings of which there are just a few that are named after officers that served in the Confederacy.

DWG: Thank you. [Rialto Day] of Jiji] Press, do you have a question.

DWG: Yes, I do. Thank you for doing this.

Admiral Gilday - 4/5/2021

My question is about the 7th Fleet. The 7th Fleet is responsible to cover the vast area encompassing 36 maritime nations and 50 percent of the world's population. Do you think the assignment of AOR for the numbered fleets fit the current situational environment? And are you considering reducing the AOR of the 7th Fleet?

Gilday: That's a really good question and I think timely given the effort that the Secretary of Defense just stood up a week ago which is the Global Posture Review, which as Mr. Kirby has spoken to last week I believe takes a heavy look at the Indo-Pacific and our force laydown in terms of, in other words not only where the bases and places are that we count onto project power and to maintain a steady influence across the region, but also whether or not we're organized correctly, particularly in that AOR.

So the concept of the Navy's first fleet came up a number of months ago. So we have taken the planning that we've done thus far, the analysis I should say, that we've done thus far and we are bringing that forward into the Secretary of Defense's analysis.

So when that's finished later on this summer we should have a better sense of what direction we're going to go in or not with respect to fleet organization.

DWG: Jared Serbu of Federal News?

DWG: CNO, thanks for doing this.

I wanted to see if I could get you to go a little bit deeper on JADC2 and Project Overmatch that you started to talk about. I'll do that by just asking, to you, what are some of the biggest missing pieces that you see as far as what you need to do to get to that coherent network of networks that you talked about.

Gilday: There's three attributes off the top of my head. One is resiliency, the other is capacity or volume, right? As you bring more unmanned vessels and unmanned vehicles in the air, as you connect things to your networks you're going to drive a need for more bandwidth or a judicious use of the bandwidth that you have. So that number two is capacity. I mentioned resiliency. The third is really agility.

Let me explain in my own terms what Task Force Overmatch is

Admiral Gilday - 4/5/2021

focused on.

If I use your smart phone as an example, in the building that you're in right now, you're connected to WiFi and you're also likely connected to some 4G or 5G network that our service provider has available for you. The phone, or the software in the phone makes a decision on which network it's going to use to transfer data. You really don't care as an end user. You're just really looking for speed and you're looking for agility. Then you have applications or micro processing that allows you to use information as quickly as possible to drive a decision or to make you well informed in a certain area.

What I'm looking to do with Task Force Overmatch is to take the existing network that we have and to create a network of networks where we can pass any data over any network that we choose. So I can take tactical fire control data that I would typically use only on a certain fighter to fighter network and I may transfer that information via another network that at the time the software decides is going to be more resilient, it's going to be faster. It's a better way to get the information from sensor to shooter, and to do that without an operator involved in the decision-making in terms of what network is going to be used.

We began this work late last year. I stood up a task force under a two star in San Diego. His name is Rear Admiral Doug Small. And so Doug has put together a fairly robust group of people that are taking a look at how we can leverage industry best standards right now in order to deliver the kind of capability that I just talked about. We're going to do four spirals this calendar year. Each one of them in increasing complexity to tie together more networks and more applications. And we want to expand this to a strike group in late '22 or early '23 is our target time frame right now so that we can test this at sea under some pretty austere conditions.

DWG: A quick follow on that on the agility piece. As far as becoming more agile, is the Navy structured in the right way to get to where you think you need to go in terms of where authorities and responsibilities are in cyber and N2N6 and [NAVOR], NAVSEA and everywhere else?

Gilday: No we're not. Those authorities are really stovepiped right now.

Admiral Gilday - 4/5/2021

In the past two weeks we have given Admiral Small more authority with respect to his expanding responsibility as an authorizing officer to make decisions on the use of those networks and the applications that we're going to lay on top of those networks.

As an example, we will rely less on applications being embedded in legacy operating systems and they'll really side in the backbone of our systems out at sea which is currently a system called CANES. So using industry best standards we would containerize and test new software patches or new software applications that industry offers. We would them in a containerized way on a replica or a digital twin of that backbone and make that testing cycle much quicker.

As an example, in today's environment it may take us weeks to test the software patch in a certain operating system and make sure it's not going to break other systems on our ship. We want to be able to do that in minutes or hours instead of weeks. So that's where part of this effort is going to take us in terms of adopting industry standards and part and parcel with that is giving a single person more authority so that he can act in a more rapid fashion. If that makes sense.

DWG: It does. Thank you, sir.

DWG: Julian Barnes of the New York Times?

Okay, let's go to Kaitlin Kinney of Stars & Stripes. Do you have a question?

DWG: Yes, hi.

My question is can you speak to anything in the budget that's specific about the Arctic? Or if you can't really speak specifically to it, do you have anything that you feel you need in the next few years in the Arctic area, whether it's vessels, bases or equipment? Thank you.

Gilday: I cannot speak directly to the budget right now for reasons that you probably know, but let me talk a little bit - I'm trying to answer your question as best I can with respect to how the Navy's postured for the Arctic.

A few years ago our operations in the Arctic would be rare. If I go back to 2018 when we had the carrier strike group Truman

Admiral Gilday - 4/5/2021

operating up north of the Arctic Circle, it was the first time we had done that in a couple of generations, so going back to the late '80s, early '90s.

In the past year we've done 20 exercises or operations in the high north or above the Arctic Circle. So some of those have been unilateral, but the preponderance of those have been bilateral or multilateral exercises and operations.

So our presence in the Arctic is no longer rare. It's becoming part and parcel of what we do. Particularly I would say in the EUCOM AOR.

But as part of this Global Posture Review one of the areas that I think we need to look at as an Arctic nation is that area. That essentially you have three combatant commanders who bound the Arctic. So as a force provider, as the CNO, I'm providing forces that the Secretary of Defense ultimately decides in a prioritized fashion how to allocate those and use those across the combatant commanders and I think we may have a better sense coming out of the posture review - on how we may operate even more robustly up north.

DWG: Dmitry Kirsanov of TASS?

DWG: Good afternoon, Admiral, and thank you so much for doing this.

I wanted to ask you about the 1972 Incident at Sea Agreement signed between the Soviet Union at that time and the United States. It's my understanding that the Russian were advocating for some time to sort of renew and modernize the agreement. Is that something you would like to do? Is it necessary in your opinion?

And the other point, if I may, on the Arctic, are you thinking about doing FONOPS there, sir?

DWG: A couple of good questions. With respect to INCSEA I always have an eye towards how can we do better? If the Russian have a similar view, I'm open to discussion. We do have meetings with our Russian counterparts on INCSEA this year, so perhaps that is among the things that we're going to talk about, and I think we ought to be transparent and open any way that we can improve safety at sea to avoid any kind of incident that might be

Admiral Gilday - 4/5/2021

harmful to the sailors from either country.

I'll just add something I think on a positive note. Last week I was able to do a video teleconference with one of our commanders who's part of the crew of the International Space Station up above earth. There are seven people in that space station and a few of them are Americans and you have an equal number of cosmonauts from Russia. I think it's a really good example, aside from everything else you read on a day to day basis about friction between our countries, when we want to do things together in a very positive way, that's an example of what we can do, and it's powerful.

DWG: And the FONOPS?

Gilday: I can't speak directly to any FONOPS that we're planning but I can tell you that we're doing them around the globe. It's an expanding effort. Most of the time when people talk about FONOPS, they're solely focused on FONOPS that we do which involves China. But I would tell you that we do them against a number of nations including some close allies and friends like the Canadians. We just have disagreements on interpretations of international lines in the water.

So we take a pretty broad approach. Again, kind of the bottom line for us with respect to the FONOPS is promoting free and open use of the maritime commons, no matter the country.

DWG: Thank you.

DWG: Demetri Sevastopulo, Financial Times?

DWG: Thank you, Admiral.

My question is the Chinese military has been increasingly active around Taiwan since last summer and particularly over the last few months. What insight has the U.S. Navy gleaned from what the Chinese are doing?

Gilday: I can't speak for obvious reasons on any collection that we have from recent Chinese operations. I can tell you that one of the things that kind of fuels my optimism in that part of the world is the fact that we continue to operate by, with and through our allies and partners in those waters, which are becoming increasingly more contested and congested. But that

Admiral Gilday - 4/5/2021

circle of friends and partners is growing, and like-minded navies that are coming together to promote free and open use of the maritime commons, and it's our hope that we can change the opinion of countries like China in how they behave on the high seas. It's so critical to not only the U.S. economy but really the global economy write large.

Maybe that's a bit optimistic, but we need to keep trying to bring the Chinese around to follow in those agreed-upon international principles.

DWG: You don't have any concern right now, sir, that the Chinese might under any circumstances attack Taiwan or invade it? There are people who are worried about that these days.

Gilday: I would say that we maintain a pretty heavy presence in the Western Pacific. My job as the CNO is to provide the Secretary of Defense with ready forces, and right now this foot that we have in place is 60/40 between the Atlantic and the Pacific, so favor the 60 percent is in the Pacific.

The ships that we have underway today, a third of our almost 300 ships in the Navy are at sea today, and a good number of those deployed. If you take a look at the numbers, the preponderance of those ships are in the Western Pacific.

So we try to be ready for any contingency that might pop up and so the one that you mentioned would be in the far right of things that would hopefully not happen, but we want to be in place out there so that we can respond quickly and hopefully deter any kind of action like that in the first place, which is the reason why we need a capable Navy forward in order to influence the thinking that might go in a direction that would be dangerous.

DWG: Aidan Quigley of Inside Defense?

DWG: Thank you for doing this.

My question's on the Biden administration infrastructure build. I'm wondering if the Navy thinks that could provide some funding for shipyard improvements in the SIOP? You talked recently about accelerating the SIOP With some more money and that could possibly lead to that acceleration.

Gilday: I like the way you think. I would tell you that I'm not

Admiral Gilday - 4/5/2021

sure if that would be a possibility. I'd certainly be open to it. But that's obviously going to be driven by the administration and the Congress and so I can tell you at this point we have not had discussions with respect to including the shipyard optimization plan within the broader infrastructure build, but I'd certainly be open to that possibility if it happens.

DWG: Jeff Schogol of Task & Purpose?

DWG: Thank you.

Admiral, in July 2019 the USS Kidd saw some unusual unmanned aircraft that were able to loiter for long periods of time. This went on for several days and involved several other ships.

Has the Navy determined what these aircraft were and which country or actor they came from?

Gilday: No, we have not. I'm aware of those sightings. And as has been reported, there have been other sightings by aviators in the air and by other ships. Not only of the United States but other nations and of course other elements within the U.S. Joint Force. So those findings have been collected and they still are being analyzed.

I don't have anything new to report, Jeff, on what those findings have revealed thus far, but I will tell you we do have a well established process in place across the Joint Force to collect that data and to get it to a central repository for now.

DWG: Is there anything thinking they're extraterrestrial?

Gilday: I can't speak to that. I have no indications at all of that.

DWG: Paul McLeary, Breaking Defense?

DWG: Thanks.

Admiral, I want to take another crack at the budget question. I know there's only so much you can say, but the previous administration on the way out released a mobility projection for '22 that was very favorable to the Navy. I'm curious how close to that you think you're going to get. And if you can

Admiral Gilday - 4/5/2021

characterize maybe some of the conversations you're having with the other service chiefs about how the pie gets split up.

Gilday: First of all, to answer your first question directly, I have no idea what that top line's going to be right now. There's been reporting, there's been leaks, but I haven't seen anything in writing that's been definitive.

And further, what that means to the Navy specifically, I just, I wouldn't be able to speculate.

I can tell you though, that I think that the Navy is in a really strong position right now to continue to argue for a bigger better Navy based on, grounded on the Future Naval Force Structure Assessment done under the previous Secretary of Defense in 2020. I think that where that assessment has taken us is a move away from ship counts, if you will, although ship counts is certainly the thing that gets the most discussion publicly. But really, a discussion about combat effectiveness.

Taking a look at relevant methods like lethality, survivability, operational reach, really taking a look at the - when we finally do get a budget taking a look at how those attributes of the Navy apply to gaps across a joint force or vulnerabilities in the joint force are going to be critically important. We think that that assessment answers those questions really well.

The other thing that's, as you probably saw in the shipbuilding plan that we submitted to Congress, late last year is we also took a look at what the total ownership cost of the future Navy would look like. So from a budget informed or fiscally informed position, this wasn't just a pie in the sky this is the Navy we need, but in order to pay for that Navy you need to take a look at total ownership costs. You need to take a look at maintenance requirements. You need to take a look at technical risk of delivering new capabilities and you need to take a look at industrial base capacity. So all those things are folded into what I thought was a very realistic, candid, frank shipbuilding plan that wasn't just - it did have an assumption of 4.1 percent growth. That was 2.1 percent for inflation and another 2 percent real growth. But it was sound analysis. And we are grounding our current budget discussions with OSD on that, using that analysis a kind of our beginning argument. And because OSD CAPE played such a key role in generating that analysis to begin with and those analysts are still in those seats at OSD. So we're

Admiral Gilday - 4/5/2021

continuing to use that kind of as our basis.

With respect to the other service chiefs, I haven't had any discussions with them about my feelings about how the budget ought to be divided. With this administration I'm resting our presentation of what we think we need based on the merits of the case, largely grounded on that analysis.

I apologize for the long answer, but hopefully I got to your point.

DWG: Richard Burgess of Sea Power Magazine and Dan Lamothe will be next.

DWG: Thank you, Admiral.

Can you update us on the status of a redesignated Fleet Forces Command as U.S. Atlantic Fleet?

Gilday: That's a good question. Right now implementation is on hold based on the findings of the ongoing Global Posture Review.

DWG: Dan Lamothe?

DWG: Good afternoon. Thanks for your time.

A question and a follow-up please. My question would be in light of the situation in the Suez Canal over the last couple of weeks and seeing that the Eisenhower went through shortly thereafter, can you give us any I guess playback on what that looked like and how the Navy went about considering operations in that region through that time?

Then as a follow-up, getting back to the Arctic question, can you tell me where you stand at this point with regard to ADAC, Dutch Harbor and the discussion that's been ongoing about whether or not Nome needs to be a deep port. Thanks.

Gilday: On the first, with respect to the Suez I think that in the worst possible way kind of showed the fragility of choke points and how important it is to move commerce. I think the cost was about \$10 billion a day lost with respect to commerce moving through the Canal. The only other way, of course, to mitigate it was to go around the Cape of Good Hope.

Admiral Gilday - 4/5/2021

I think it certainly put a focus on the fragility of choke points, how important they are, how naval presence across all choke points is important. And I've been on the record many times in saying that I consider the Central Command AOR a maritime theater with three critical choke points. And when any of them, when something happens in any of those choke points, whether it's the Strait of Hormuz, the Bab el Mandeb, the Suez, particularly with global markets like oil, you're going to see some perturbation.

So our persistent presence in that AOR, as an example, is really important. I could say the same thing for the Strait of Malacca. We've got ships operating in the vicinity of the Panama Canal. We just did an exercise with the Moroccan Navy off the Strait of Gibraltar as an example.

With respect to infrastructure up near Alaska, nothing new to report there. I think that the Global Posture Review, again, I don't mean to be evasive on this one, Dan. I just think that the Global Posture Review should provide us some headlights, if you will, with respect to potential future investments.

I will say that for an area like that that's open to commercial traffic, one of the interests I would have is what kind of investment is commercial industry making in that same area? They need fuel too. So those questions I think should also be looked at.

I hope I answered your question.

DWG: The only follow-up I would have would be, how did the Suez backup there complicate Navy movements? If you had to hold anything in place? Now that we're kind of off the fact of optics, how did that complicate life for you all?

Gilday: It really didn't complicate it at all. The decision was - well, the key thing was maintaining a presence in the European AOR and at the same time being in position to provide critical support for CENTCOM if forces on the ground needed it. So the Eisenhower Strike Group was positioned in the Eastern Med. We did conduct some sorties, overland sorties in support of CENTCOM. And when the time was right the decision was made - in fact the Eisenhower Strike Group was the first warships through the Suez. As you know, they're down around the Red Sea right now.

Admiral Gilday - 4/5/2021

So we did try to make best use of, based on the situation that we're faced with, supporting two combatant commanders at the same time, but essentially in answer to your question I think, Dan, is moving the Ike into the Eastern Med and using that as a pivot point to support both commanders.

DWG: Julian Barnes tells me his mike works now.

DWG: I apologize for my technical inexpertise.

Admiral, I wanted you to talk a little bit about your cyber priorities, cyber investment. Where do you think the Navy needs to make some future investment? But also were there any lessons learned from the recent supply chain attack on the U.S. government in terms of strengthening defenses? And I speak of SolarWinds and the Microsoft exchange server.

Gilday: With respect to the last question, I think that in his testimony I think General Nakasone made some really important point about the fact that the adversaries are able to take advantage of gaps seen between Title 10 and Title 50 authorities that we have, and specifically NSA's restrictions about not being able to operate on infrastructure in the United States. And that's for good reason. But it does open up, it does reveal an important theme that the adversary took advantage of.

And this isn't the first time they've done that. If I recall, the Joint Staff intrusion back in 2015 or 2016 that at the time the Russians leveraged U.S. infrastructure out of the universities to conduct that attack as well. So becoming a preferred attack vector, if you will, for the Chinese and the Russians. And I think from a policy perspective there are challenges here that we need to get after as a nation.

For the Navy, we continue to try to move from legacy infrastructure into an integrated cloud environment where we feel that our data is better protected, that we're able to update our applications much more easily and securely. So we're in the middle of an effort right now to move wholesale to Microsoft Office 365 as an example not only to give us better capability but also to make, in a more secure environment it makes the user experience much more productive and much more effective. So that's our big push right now, to give you a tangible example of where we're headed.

Admiral Gilday - 4/5/2021

I would also add that we recently, in one of the biggest, I think probably the biggest single DoD cloud move, was when we moved our financial application called ERT and some 70,000 plus users to the cloud last year. That was a big challenge for us and we're still working through some of that. But overall it's gone really well, and it's the direction we need to head. We need to continue to pursue.

DWG: Abraham Mahshie of the Washington Examiner?

DWG: Thank you, Admiral Gilday. Thank you so much for the opportunity to ask you a question.

Last year there was a Battle Force 2045; there were talk of 355 ships; there was talk of 500 ships; and then there's been criticism of the Navy, sort of a leadership confusion, changeovers, that type of thing.

I wonder what is going to be the plan moving forward with the ship number? Do you just gut the Battle Force 2045 plan? And how do you respond to the criticisms about leadership to assure the Navy and adversaries that the Navy has a strong, clear path forward? Thank you.

Gilday: I think the criticism that you're speaking to made comparisons to the mid '80s when the United States had a presidentially driven directive to maintain a 600 ship Navy. Again, that was directed at that time by President Reagan and then carried out by the Secretary of the Navy John Lehman. So it's a bit different today.

What I would go back to though, is my comment from a few minutes ago. I would go back to the analysis that was, this wasn't just Navy self-speak where the Navy did the analysis on its own to come up with a composition of the future fleet that included a range of numbers for different types of platforms. This was an effort that fell under the Secretary of Defense where you had analysts from OSD CAPE, you had analysts from the Navy, and you had analysts from the Marine Corps all came together including - actually including a very robust Red Cell that was led by OSD and also a group of outside experts from think tanks, from industry and from academia, previous service members, that formed a group that advised the Secretary of Defense and kind of performed their own Red Team function on the rigor of the analysis that was done.

Admiral Gilday - 4/5/2021

So the Navy's requirement, the Future Naval Force Study Assessment in my view, that's the requirements document. But it isn't based on a pie in the sky number. It's actually grounded on analysis and that analysis is not going to be static.

So the idea, if I can just give you a couple of examples, that analysis needs to be informed every year by ongoing exercises, every deploying strike group, every deploying - whether it's an ARG or whether it's a carrier strike group - does a fleet battle problem when they depart from homeport and before they return to homeport. And they're actually testing elements of the Distributed Maritime Operations Concept, the DMO Concept that the FNFS was grounded on, right? So we continue to test that concept. We're doing an unmanned exercise next month that includes unmanned under, on and above the sea controlled by a cell onboard a Zumwalt Class destroyer.

So those kinds of experiments and analysis as well as wargames that we continue to do through COVID. That's all input back into the analytic cell that is actually taking a look at shipbuilding numbers right now to inform the '22 budget and then the '23 budget. So it's dynamic.

I would argue that I think the Navy does have a plan and that plan is being informed by ongoing testing, evaluation analysis. That we are completely transparent inside the Pentagon in the results of the testing and experimentation that we're doing. And of course this is the Secretary of Defense's shipbuilding plan - not the Navy's shipbuilding plan in the end.

So I'd push back a little bit on those that criticize the Navy's lack of vision. I think the FNFS has very clearly allowed us to see what the composition of the future fleet has to look like in order to not only compete but defeat the Chinese.

I'm happy to take any follow-ups on that.

DWG: Let me see if Michael Fabey of Jane's might have one.

DWG: Actually, that's exactly what I want to follow up on if we could. Admiral, I really appreciate you doing this. I hope you're doing well.

I understand what you're saying about this being basically an OSD-driven plan. However, since that plan has come out there's

Admiral Gilday - 4/5/2021

been an awful lot of criticism from Congress, specifically from Members of the HASC. They've pushed back hard against the plan against some, for example, decommissioning vessels, taking money perhaps out of carrier acquisition, taking money and moving it over to unmanned. All those kinds of things.

I'm just wondering if you could, if you want to address that, that while you may have this OSD-driven analysis, the people who control the purse strings are quite emphatic about this. They are raising concerns. And whether that's informing whether you go forward with this too. Thanks a lot, sir.

Gilday: Certainly there are some that are critical. There are also - but you're not writing a lot of articles about those that support the assessment. That aside, I welcome the debate. There ought to be a robust public debate on the composition of the future fleet. And we ought to talk about, as an example, does it make more sense to hang on with the cruisers that are well past their 30 years' service life, continue to pour millions of dollars into upkeeping those vessels at the expense of and what the White House has directed that we divest of legacy and invest in new platforms. So for the Navy, we know with the Distributed Maritime Operations Concept, that is driving a smaller more distributed fleet, less large vessels, more lethal, smaller vessels - that is frigates. So we should have that debate over whether we should put that next dollar in to a 33 year old cruiser or whether we should invest in the Flight 3 DDGs that we're building down in Pascagoula, Mississippi. We ought to have that debate. And at the end, hopefully what's driving it are some of those attributes that I talked about before. Right? Lethality, survivability, operational reach, total ownership costs, maintenance requirements, technical risk, industrial base capacity. We can't just be counting VLS tubes and satisfying ourselves that that's the sole metric we're going to look at.

Again, I welcome the debate. We ought to have it. And it's not that we all have to agree in the end, but I think that that kind of open debate in the end will likely lead us to a better solution.

DWG: Do you think that Members of the HASC as missing the larger picture by focusing on some of the things that you've mentioned that we've reported on?

Gilday: Not at all. I'm not critical of their criticism. I

Admiral Gilday - 4/5/2021

think we continue to have the discussion.

I also think that sometimes you're looking at solutions that I think at the end of the day the question is are we all sighted on the right end here? What is the end state that we're sighted on? I think we ought to agree on that in terms of a bigger, better Navy. Then we can talk about what the composition of that fleet looks like. And also what we ought to do is ground it on the analysis that we have in hand right now that specifically talks about with respect to composition the prioritization of what we ought to go after that gives us the lethality we need not only to beat the Chinese but to deter the Chinese from doing some of the things that we talked about earlier in this discussion.

DWG: Next I want to call on Meredith Roaten, if you have a question, from National Defense Magazine. After that, Tony Capaccio.

DWG: I wanted to ask if there is a timeline in place right now for when the request for proposal for the Light Amphibious Warship will be released. And if you can also talk about how the Department of the Navy is planning to keep the cost per ship low while ensuring survivability.

Gilday: Thanks. I would just tell you, again, I don't mean to be evasive, but right now as part of the '22 budget review, we are taking a deep dive into shipbuilding. It's grounded on the assessment we did last year. The FNFS. So when the budget's finalized and again, the intent here in the Pentagon is to deliver a shipbuilding plan with the budget this year to the Congress, I think that will shed more light on specifically amphibious shipping and a subset of that are the laws that support the Commandant's vision for the Marine Corps to be more expeditionary in the littorals supporting sea denial and sea control.

So we are balancing among other things affordability and survivability. All those things - also that within the concept of how we're going to fight. So that all kind of plays together and coming up with the trade space that really comes down to operational risk and in terms of shipbuilding, programmatic risk. So those need to be balanced against each other in a decade where we're really trying to move fast and deliver.

DWG: Tony Capaccio, Bloomberg?

Admiral Gilday - 4/5/2021

DWG: Admiral, hi.

Littoral Combat Ship, that's still one you have to deal with. What role do you see the Littoral Combat Ship playing in great power competition with China? \$24 billion of this program has been spent to date. The vehicle class isn't even mentioned in your December 2020 shipbuilding plan. And the Independence Class is saddled with this latest gear defect that the Navy announced in mid-January. What capabilities does this bring to a fight against China? Or will it remain relegated to non-combat missions?

Gilday: I appreciate the question, Tony. It's a good one.

The Navy has either delivered or has 35 ships on contract. That's the final LCS count.

I see my job as CNO and our job as the Navy is delivering a lethal combatant with, my goal is a .5A-sub-0, so that is a .5 operational availability for those ships. We do that with the blue and gold crews. But in order to get that .5A-sub-0 there's a few things that we need to fix in order to get to that objective.

The first is we need to get after reliability and sustainability issues. So the one that we're focused on right now is the combining gear. As you mentioned, we're having the vendor go back and redesign. This month we're going to be doing some shore-based testing and then we'll be installing hopefully, a redesigned combining gear in the engineering plant of the new ships that are being built up in Wisconsin.

The Navy is not accepting delivery of any more LCS ships until that issue is fixed. So we need LCS to be reliable and sustainable at sea.

The second piece is the lethality piece. AS you're aware, we just did another missile test, the Gabrielle Giffords out in the Western Pacific. We're installing that same missile system on board all of our LCS ships. In FY22 we remain on track to deliver both the ASW modules and the mine countermeasure modules for those ships.

My intention is to make full use of those ships to keep sighted

Admiral Gilday - 4/5/2021

on a .5A-sub-0, to get those ships out there and deployed so wherever the Secretary of Defense wants to put them. But across a range of operations across the spectrum, they can operate in any theater, they can do stuff down in Southern Command that Admiral Fowler might need, as an example, in the competition space against China. Likewise, they have and can be doing more in the Western Pacific, in the Arabian Gulf, in the European AOR.

So I've given you a long answer here, Tony, but the bottom line is I remain focused on making the absolute very best that we can out of that program. We've got some dedicated sailors that love those ships, they love going to sea on them, and I want to fulfill their dream and get them out to sea as much as we can so that they can see the world and provide for the national defense.

DWG: How much can they provide for the national defense in great power competition with China, though? You know the whole litany of issues and survivability and lethality. I understand the missile improvements. But would they be seen as one of the lead combat forces in a China conflict?

Gilday: They're among the combat forces with Flight 3 DDGs, FMT-62s, the cruisers that we still have, the attack submarines that we're bringing on-line. So it's not just one platform, and I know that you know that. But there are elements - and again, we've got 35 of them. We've got some great people behind that program. And I'm going to continue to push to get them to deliver what the Navy's responsible for delivering.

The nation expects that we deliver a lethal ship that's out there, it's reliable, and it can produce. And it's not just combat, Tony. That's one piece of it. The missile systems, the ASW modules, the mine countermeasure modules. They bring you a lethal element. But it's also the stuff they can do in the gray zone competition space against the Chinese. It is the FONOPS. It's the presence piece. So it's the exercises with allies and partners that is so key on a day to day basis.

So there's a lot that we can do and we shouldn't be limited by our imagination.

DWG: One follow-up, is the major operational challenge the engines?

Gilday: It's not the engine, it's the combining gear. It's four

Admiral Gilday - 4/5/2021

engines coming together to power a water jet that drives the ship up to 40 knots.

DWG: That's the major operational challenge. Thank you.

Gilday: That is the key engineering challenge for us right now is the combining gear. It seems to be the element that fails the most. It's not the only one, but it's the key one right now that limits our ability to generate forces in a predictable manner for combatant commanders.

DWG: Megan Eckstein of USNI News. And if we have time, David Larter of Defense News.

DWG: Thank you very much for doing this.

I wanted to ask you about the carrier fleet. Kind of looking for breadcrumbs in the region, documents and strategies that have come out. We see a lot about being more unpredictable, preparing for kind of day to day competition, going to different places like the Arctic. But then if you look at the Eisenhower Carrier Strike Group they ended up going through the Suez Canal and into 5th Fleet again.

So I just wondered what your take was on the way that these carriers are being used by the Joint Force and if you see any openings where maybe the Navy can start to use them the way you're envisioning in all these documents or if you really think that kind of that carrier presence in the Middle East is something that you won't be able to get away from?

Gilday: Thanks. I think the Global Posture Review is going to help inform the Secretary of the way ahead with respect to how the globe is going to be postured on a day to day basis. And certainly the study's going to take a look at the Indo-PACOM AOR but it's also going to look at CENTCOM and EUCOM.

I think that during the Secretary of Defense's confirmation hearing there were two things that stood out for me with respect to the NDS. One is that he wanted to do his own assessment to see if all the elements of the NDS were still applicable. In other words, did he have to change anything in the NDS?

And the second thing, and I think it kind of gets to your point, are we resourcing in the day to day posturing the globe in the

Admiral Gilday - 4/5/2021

right way? Are we implementing the NDS in the manner that it was supposed to be implemented? And I think that the Global Posture Review will help give us a better understanding of where we stand right now, to answer the Secretary's questions about implementation of the NDS and whether any changes are required. And I think that that ought to drive our use of not only aircraft carriers but the entire Joint Force.

So carriers are of course an important element of that and I can say that the most, or an element of high demand among all the combatant commanders.

In terms of training time in the CENTCOM AOR, again, it is a maritime AOR. The real question is how much carrier presence is required in the AOR on a sustained basis, right? In any AOR?

DWG: David Larter, you might just have time to ask a question. Please go ahead.

DWG: Admiral, David Larter, Defense News. Thanks for doing this as always.

I wanted to ask you a quick question to follow up on Tony's question about LCS. It's my understanding that the cost of operating the LCS just in aggregate has been pretty high and not that much lower than operating a DDG. So I guess while you're sighted in on increasing A-sub-O, does that become in and of itself sort of ruinous given the amount of logistical support the ships need, the amount of engineering support. It isn't just the combining gears are having issues, it's sort of the end to end [inaudible] model is also challenged. It was built around a certain function of contractor-led maintenance that has been under strain.

So I'm interested to understand how you plan on bringing down those operating costs. That's the question.

Gilday: Thanks. And I think it's a good one. I think it's one that we need to - if you staff the chalk line today the costs are pretty high. Particularly as you said if you compare it with DDG. But what we're trying to do is we're trying to move from a contractor centric maintenance model to a sailor centric maintenance model or a Navy centric maintenance model. It's the sailorization of a program, the maintenance sailorization program that U.S. Fleet Forces has underway right now to bring back

Admiral Gilday - 4/5/2021

sailors to the fore with respect to maintaining those ships.

So that will be a significant cost savings if we get to that point.

Of course we have to take a look at if we do that, do we have adequate numbers of people on board the ship to be able to do that fully? Will it need to be a phased plan? How long will it take?

I think that over time if we get that piece right, if we get the supply parts piece right in terms of having the right parts on the ship at the right time, I think we can probably get to a place where you see more efficiencies.

I think time will tell. We do have a responsibility to try and make the use of those ships the most efficient they can be. I think we're going to be learning for a little while, David, as we shift to this new maintenance model and as we get more water under the keel of those holes.

DWG: Admiral Gilday, thank you very much. I don't know if you want to take a moment for closing remarks that would be welcome, but otherwise I know you have an appointment soon.

Gilday: I just want to say for David, who I know publicly announced he's moving on in his career next - he announced it last week. I just want to say thanks, David, for all your solid reporting. You have been skeptical of the Navy, you've made us better because of that, you've kept us honest. And I appreciate it. You've always given us a fair shake and reached out for our point of view whenever you did that.

I'm not sure what your future plans are, but I'm sure you're going to land on your feet. Just remember Dave, we're always hiring if you want to come back.

DWG: Thanks.

DWG: Very good.

Gilday: David, I don't have any big wrap-up. I think we've really covered a broad range here and I appreciate the support that all of you have for the military and selfishly for the Navy, and this is a lot of challenges ahead of us but I would tell you

Admiral Gilday - 4/5/2021

on a day to day basis there's a lot of things going on in the fleet. Whenever I travel it is uplifting, and I'm full of optimism when I come back from those ship visits. We've got a great Navy and a great nation supporting a great Navy, and it's easy to be critical but I'll tell you, there's a lot of good stuff going on. Thank you all for your advocacy and I wish you well. Please stay safe during the pandemic.

DWG: Thank you so much, Admiral. We're really grateful to you for taking the time to talk to us today. It was a rich session. And if I can just lobby you for a second, can we make this annual? Because it would be great to do it once a year. I know the members would appreciate it and I think it's great for the Navy too. Thank you again.

#