Center for Strategic and International Studies

TRANSCRIPT

Event

"A Conversation with Dr. Kurt Campbell and Admiral Michael Gilday on the Strategic and Military Implications of AUKUS"

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FEATURING

Admiral Michael Gilday
Chief of Naval Operations, U.S. Navy

Dr. Kurt Campbell
Deputy Assistant to the President and Coordinator for the Indo-Pacific, The White House

CSIS EXPERTS

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Dr. Charles Edel: Good afternoon. Welcome to the Center for Strategic and International Studies. I'm Charles Edel, a senior advisor and the Australia Chair here at CSIS. I'm really pleased to welcome everyone here in this room and all the hundreds if not thousands of you who are watching online.

I'm particularly excited to welcome our distinguished guests who have come for this really important conversation on both the military and the strategic implications of AUKUS. A collaboration between Australia, the United Kingdom, and the United States, AUKUS aims to boost the defense capabilities, enhance technological integration, and expand the industrial capacity of all three of our nations.

First announced in September 2021, AUKUS is comprised of two distinct pillars. Pillar 1 is a trilateral effort to support Australia's acquisition of conventionally armed nuclear-powered submarines. Pillar 2 focuses on expanding advanced technology that our three nations will use together, including cyber capabilities, hypersonics and counter hypersonics, quantum, artificial Intelligence, other undersea capabilities, and a range of other capabilities.

AUKUS, as you can tell, is an extraordinarily ambitious program, and we're just beginning to understand the scale of those ambitions. This means investments into our own and our allies' systems, a real linking of Asian and European allies, an integration—to a larger degree—of our industrial capabilities. The ambition of this undertaking has grown commensurately with the scale of the challenge that we are all presented with. AUKUS was undertaken against the backdrop of a deteriorating security environment in the Indo-Pacific region, specifically, centering around the explosive growth of China's military capabilities and the increasingly aggressive use to which those military capabilities are put. Those two trends have heightened security concerns in the region and motivated AUKUS members to begin aligning their strategies and respond to the challenges posed by Beijing.

So, when you look at AUKUS, please remember that it has more than one objective. It's meant to transform the industrial shipbuilding capacity of all three nations. It's meant as a technological accelerator. It's meant to reestablish what Penny Wong has called strategic equilibrium in the Indo-Pacific region. And ultimately, it's meant to be a model for how the United States works with and empowers its closest allies.

But if AUKUS's ambitions are expansive, so too are the challenges that it faces, including its long term political support and financial resourcing, the ability to scale up submarine production, the necessity of finding the skilled workers who are going to be building those submarines, the challenges of reforming our regulatory system and the way that we

control our most sensitive technology, and, of course, the overriding imperative of providing deterrence now and not in a 10-year-time.

Now, to discuss AUKUS and its strategic and military significance, I'm extraordinarily honored to be here today with two of its extraordinary driving forces, Admiral Michael Gilday, Chief of Naval Operations, and Dr. Kurt Campbell, Deputy Assistant to the President and Coordinator of Indo-Pacific Affairs at the White House. I don't think I need to introduce them, but I will introduce them just so that everyone knows exactly who we're dealing with here.

Admiral Gilday is the son of a navy sailor and the 32nd Chief of Naval Operations. A surface warfare officer, he is a graduate of the U.S. Naval Academy and holds master's degrees from Harvard Kennedy School as well as the National War College. At sea he has deployed aboard the USS Chandler and Princeton and Gettysburg, and has commanded USS Higgins, USS Benfold, Destroyer Squadron Seven, Carrier Strike Group Eight, and U.S. Fleet Cyber Command.

As a flag officer, he has served in joint positions as director of NATO's Joint Force Command Lisbon; as chief of staff for the Naval Striking Group and Support Forces NATO; director of operations for both U.S. Cyber Command and Joint Staff; and he has recently served as director of Joint Staff and began serving as the 32nd CNO on August 22, 2019.

Dr. Kurt Campbell serves as the Deputy Assistant to the President and Coordinator for Indo-Pacific Affairs on the National Security Council. He was previously chairman and chief executive officer of The Asia Group. From 2009 to 2013, Dr. Campbell served as the Assistant Secretary of State for East Asian and Pacific Affairs. He was formerly CEO and co-founder of the Center for New American Security.

He is the author or editor of ten different books and received his B.A. from UC San Diego and his doctorate in international relations from Oxford University.

I'm extraordinarily humbled that you've chosen to have this conversation with us. I'd like to invite both of you up to stage so we can get on with the conversation. Thank you.

Dr. Kurt Campbell: Is my mic on?

Dr. Edel: I hope it is.

Dr. Campbell: So, I did not know this, but we both have served aboard the same ship. I was on the Princeton as well - so we'll have to compare notes after this. So,

thank you. (Laughter.)

Dr. Edel: In fact, that's going to be the entirety of our conversation today. (Laughter.)

I'd actually like to start with a very basic, but perhaps expansive question, for Admiral Gilday.

From a military perspective, what is AUKUS intended to accomplish?

Admiral Michael Gilday: Well, in your eloquent remarks, you mentioned this destabilizing environment in the Indo-Pacific, in a region that is so critical for global prosperity. And so, I think AUKUS is among a number of initiatives that the United States is undertaking with its allies and partners in order to provide more stability in the region, more predictability in the region. And I think the stability piece is very important.

There's also a deterrence against any malign behavior aspect of this that I think is key.

In terms of our navies working together, the U.S., the U.K., and Australia, some would say it's a natural next step for us. We've been working together for one hundred years now, over one hundred years. So, this would be an obvious evolution in terms of where we go, not only in terms of interoperability, but AUKUS takes it to a new level in terms of interchangeability, particularly with SSN AUKUS—which will be a held common to two of the three nations—with many of the components that are common to U.S. submarines, and so that's a great leveler for all of us in terms of interchangeability.

I also just would foot stomp the points that you made on technical interoperability as well. The technical exchange and the partnership that we gain in industry is going to be key here in terms of knocking down barriers with respect to the transfer of technology and information.

And I think that in areas like quantum and AI, unmanned, the possibilities are really limitless here. And we would be self-limiting if we didn't take great advantage of the opportunities that AUKUS will present in that regard.

Dr. Edel: Perfect. If we start from the military objectives, increasing our interoperability, interchangeability, as you've said, as we hear in Australia a lot too, when we broaden out a little bit, Kurt, thinking about the strategic objectives of this, we should note that AUKUS is not the only thing that we're doing in the region. And I'm curious from your vantage point at the White House, how AUKUS sits within some of the other efforts

that we're undertaking as we try to build something that creates more strategic equilibrium.

Dr. Campbell: Thanks, Charles. And first of all, thank you very much for holding the session today. I think it's important for there to be a greater understanding of what we're trying to accomplish collectively in the Indo-Pacific.

And I also want to pay my respect to the Admiral and to the role he's played in everything that the United States is undertaking both at sea and also in the Indo-Pacific region more generally.

I would say, if you look at a range of efforts, unilateral, bilateral, multilateral, you see the evolution of a strategy that places the Indo-Pacific squarely at the center of future endeavor.

And you've heard me said before, Charles, that involves, first of all, trying to just erect a bipartisan agreement about how we will conduct ourselves in the Indo-Pacific, investing in the necessary capabilities in the United States more generally, with the recognition that technology will be at the core of arenas of competition going forward, and then, a series of actions with respect to bilateral and multilateral engagements.

And I'll just run through some. We're going to talk today largely about AUKUS. But there's the Quad. There are trilateral engagements that we've undertaken in Northeast Asia. We've sought to build on closer ties with Japan, with South Korea, with the Philippines. You will have seen last week, I think, a pretty substantial diplomatic initiative to open a much closer period of strategic orientation and partnership between the United States and India.

This is all about basically sending a signal of our determination, Charles, to not only maintain peace and stability, but to stabilize, protect, and secure the operating system of the Indo-Pacific, which has basically propelled historic levels of growth, lifted people out of poverty, provided a larger sense of well-being in the Indo-Pacific, and is something worth very much preserving as we go forward.

And we'd also argue that some of those benefits have very much affected China as well. So, what we're doing fundamentally is in the larger interest of the maintenance of that peace and stability that has largely prevailed in the Indo-Pacific.

I would say the other elements of AUKUS, that are important, are that we are increasingly linking efforts in Europe to our endeavors in the Indo-Pacific. As the Admiral indicates, we have an extraordinarily strong

partnership between the U.S. and the Royal Navy that has flourished over 70 years. We've never taken a step like this before. We decided, largely because of the unique quality and the close partnership of our relationship with Australia, to take this step and to link not only Great Britain and the United States with Australia, but basically to link the theaters in a more substantial way, a process that has, in many respects, been accelerated through the tragic conflict in Ukraine.

So, I think AUKUS is part of a larger determination of the United States to act in decisive, innovative ways to signal that we're going to play a powerful, important, and enduring role in the Indo-Pacific now and into the future.

And I do also want to just underscore that I do believe that each of the countries went into this with their eyes wide open, understanding the challenges, understanding that this is not just a week or two of celebration. We're all in it for the challenges ahead. And this is not something that will be accomplished in a short period of time. This is a long-term partnership that I think we're all up for.

Dr. Edel: I felt quite lucky that we can take both military and strategic perspectives at once.

And as we've talked about stability and trying to inject more stability into the region, as we've talked about China, it's not a secret to say that Beijing has responded adversely across the board to the announcement of AUKUS.

And yet AUKUS is not intended to provoke China. In fact, when President Biden was out in San Diego, I'm going to read this, he said, "AUKUS has one overriding objective—to enhance stability in the Indo-Pacific amid rapidly shifting global dynamics."

And I'd like to get a little bit more granular and ask how you see it doing that? How does building up U.S. and allied capabilities enhance stability? And how does it contribute to deterrence? Admiral, if you'd like to start.

Admiral Gilday: I think the administration has been very transparent in terms of the path that we're on to executing AUKUS, in terms of both planning and execution, with not only Americans, but also more broadly with people around the globe.

And so, it's a phased approach that's been very transparent; in terms of our beginning to conduct more port visits with the Australians; to then forward deploying our submarines—perhaps up to four—out of HMS Sterling near Perth; to then co-crewing those submarines with the Australians in a very deliberate manner; and then finally getting us to a

point where Australia's sovereign readying and can then take custody of the sale of U.S. submarines, and eventually produce their own.

All the while we are working hand in glove with them and the U.K. in terms of creating the ecosystem that's so important to maintaining a nuclear force that we have had in the United States since the 1950s. And there is a culture there that doesn't take any shortcuts, that is self-assessing and self-correcting. That culture becomes very, very important. And it isn't something that just appears overnight. It has to be ingrained in a cadre of sailors that are passionate about what they do and serious about what they do.

So, I think that there are many layers and elements to this that we've been sharing. As Dr. Campbell said, that 18-month consultative period, we have been wide open in terms of the challenges from an industrial standpoint, from an investment standpoint.

In America, we believe that we can do anything, but some days when I sit back and I think, boy, if we had to start a nuclear submarine program from a cold start today, that is a big leap. And so, again, I think to the to the point of your question, we've been very transparent here in terms of a deliberate approach. Among those senior uniformed leaders, we have been absolutely committed to a relationship that's grounded on trust.

And so, we have been committed to having candid, transparent, private, non-attributional discussions about risk, about being completely honest with each other in terms of how we see this progressing, about areas where perhaps we need to accelerate where we can but take a deliberate approach and perhaps even slow down in areas where we think we need to tell our civilian leadership that we are taking on too much risk.

Dr. Campbell: If I could just add one other thing to what the Admiral said. I also think we fully recognize that nuclear propulsion provides the ability to deploy for extraordinarily long periods of time at greater distances, and also provides the opportunity to operate in an increasingly challenging environment. So, the survivability that nuclear powered submarines provide, I would argue, is unmatched.

And then the added ability to be able to deploy conventional ordnance from great distances has enormous, game-changing, strategic significance in a variety of projected scenarios.

And so, it provides survivability, flexibility, much greater operational dexterity, and as the Admiral indicates, it is a partnership that will be developed over decades frankly. And so, this is a big deal.

And I would say we are already reaping some of the rewards. We always worked with Australia as the closest possible partnership. But this, I think the Admiral will be the first to say, this is going to elevate that. And we're seeing that already. We're engaging in a way that is unprecedented. And we will only grow from here.

Dr. Edel: It's great. I hope the two of you don't mind if I take the prerogative as Australia Chair to pretend to be Australian and therefore be really blunt—or maybe that's just the New Yorker in me. (Laughter.)

But if we have these great ambitions, let me stay on Pillar 1 for a second here, to help grow the capabilities, have a game changing capability for the Australians, the natural question is, do we have the submarines?

We know that we are mandated by Congress to be producing two Virginia-class submarines per year. For a variety of reasons, we're producing plus or minus 1.2 submarines per year at this point.

Admiral, I'd love to get your comments about when we see that the initial announcement, was the sale of three Virginia-class submarines with a potential of two more down the road, where do those submarines come from? Should those be submarines that we already have? Should they be future production? How does the industrial capabilities of all three nations play into this because it is a number game at this point?

Admiral Gilday: It's too early to give you an answer on precisely where those submarines will come from. Whether that's excess capacity, or whether that comes out of U.S. inventory. Our goal, and you can see the testimony to it, is the significant investment that the U.S. Congress is supporting in terms of industrial base, $650 million last year and another proposed $750 [million] in the 2024 budget, and a proposed $3.4 billion [investment in industrial base], I think, over the over the five year defense plan. So a significant investment across a number of different areas: workforce development, shipyard infrastructure, strategic outsourcing to smaller companies to take some of the pressure off the two shipyards, supply chain development. Another would be areas like additive manufacturing, where we're trying to leverage some of the best new technological advances in manufacturing from around the world and apply it to the submarine program.

So, we're trying to put the industrial base in a position where they can increase their productivity. The priority still being the Columbia-class submarine at one a year, and then two SSNs.

We're aspirational at this point with respect to reaching the goal of two SSNs a year. But all the indicators we have right now say that we are

gaining momentum in terms of closing on that. I can't give you a specific date when we expect to close on two, but we're headed in the right direction.

I think that puts us in a better place, or the intent would be to put us in a better place, with whatever administration might finally make the decision. With the Congress, it'll play in a very serious kind of way in terms of laying out options, understanding the risks upfront, and then presenting a recommendation in terms of moving forward. But we're working very closely with Congress right now. They have legislations that they need to pass in order for all this to come together eventually.

In short, we do not underestimate the difficulties that lie ahead, and I think it goes right to the points that we made earlier that this foundational trust piece here becomes really, really important.

And in terms of mil-to-mil relationships, we're talking about a 30-year endeavor here. Well, we're talking about a forever endeavor, but in terms of the phases that I spoke to, you're talking about 30 years - and so while administrations will change in the three countries, hopefully the mil-to-mill relationships provide some sort of a shock absorber where you can always count on those relations as being foundational to execution.

Dr. Edel: Curious on the ally piece on this because at least on my quick but not so quick glance, this is a fairly unprecedented move where not only are we undertaking investments into our industrial base, our submarine industrial base here, as is the U.K., as is Australia, but all three nations to a certain degree are taking investments into allies' industrial bases too.

And as far as I can tell, this is unprecedented, in wartime, it's probably unprecedented in peacetime too.

Dr. Campbell: Just on that Charles, and I very much agree with what the Admiral said that one of the points of AUKUS when Prime Minister Sunak, Prime Minister Albanese, President Biden met in San Diego was to underscore some of the features of how we're going to proceed next little while.

We have an unprecedented commitment of Australia into our industrial base to basically focus on improving, what I would argue, is the jewel in the crown, which is our submarine capacity, which frankly needs more resources. It needs more focus. And they're not only providing it, but they're helping us understand the kinds of investments that the Admiral indicates.

And I would simply say, Charles, that it is not just the ability to build two submarines a year of the attack variety that you were describing, it is also

getting a troublingly large number of submarines that are in drydock and are in repair back into the water and deployed more quickly.

And I think the truth is we do have a plan that will allow us to meet the requirements that are laid out in AUKUS.

But I would also just remember that when submarines are provided from the United States to Australia, it's not like they're lost. They will just be deployed by the closest possible allied force.

In many cases, you could make the argument that that enhances deterrence, which I would, and, frankly, creates more capacity. And that's really the reason why I'm grateful for the way that you asked these questions.

The strategic significance of AUKUS is that both Australia and Great Britain have made a fundamental decision to align with us strategically, not just now, but as the Admiral indicates, into the distant future.

And I would say that it was not very many years ago that if you had to make an argument which countries might be prepared to reorient more closely with other countries in the region like China, Great Britain and Australia were two countries that ten years ago flirted with different kinds of orientations, and that period is changed fundamentally.

Dr. Edel: On this issue of enhancing deterrence, let me stick with this because it's a delicate question, but it's also an important question. Here we have the "crown jewels", as you said, again, we're still talking about Pillar 1. And we're talking about whether or not you think there is a significant risk of taking these "crown jewels" and delivering our most important capability to a sovereign, foreign, extraordinarily well trusted ally, who depending on circumstances may or may not be there when the balloon goes up.

Admiral, I'm curious how you think about that. I understand the enhancing part, but how do we wrap our heads around this?

Admiral Gilday: I think we put ourselves in a position, with respect to mil-to-mil, where we're ready to go in whatever configuration the governments are willing to go. So, whether it's two or three, we have to be ready to be able to flex and to adjust.

I'm not trying to be evasive. It's just that those are directions that we would get and we would execute accordingly.

Dr. Edel: Can I have you [Dr. Campell] underscore—because you said a second ago that having Australia have this capability has the potential to actually

enhance deterrence—can you explain why you think that is?

Dr. Campbell: The truth is I think, your first question Charlie, which is about what steps we are trying to take, I think the most important steps are to recognize that the current strategic environment is favored with the United States being able to operate, engage with more and more partners. It creates a greater sense of ballast at the strategic level and much more uncertainty with potential provocateurs.

And so, I think that these steps are very strategically sound. And they are steady. I believe they are bipartisan—yes there may be a group of people now that talk more about the United States acting alone—but I think there is a proud, bipartisan tradition that recognizes that the United States is most effective when we operate and engage with other partners with us.

And no, you cannot predict every scenario in the future, but I would not have any doubts about positing that the ability to operate much more effectively, to create confidence that the U.S. is a stabilizing force and we want to be associated with them has to be overall beneficial to the maintenance of peace and stability.

I feel quite confident that the strategic calculus favors these kinds of agreements. I do think this is a major source of stability.

I do believe Charlie, one of the things you have not raised, I think we need to do more. There are going to be nations who have questions who are going to raise them in diplomatic fora, the IAEA, and elsewhere. I want to commend Australia for the work they've done in the Pacific, for the work they've done in Southeast Asia. But we need to do more, we need to constantly be on the informational front foot, indicating that, you know, this propulsion capability will be undertaken with all the requirements of the IAEA and the NPT fully, appreciating that these will not be nuclear arms, these are conventional forces, conventional capabilities.

And I think, if we continue at it, we will gain more and more understanding of what we're undertaking. I will say that I see that in my own deliberations. Initially at the outset, because there were uncertainties and questions, people would say, well, we need to know more. I'm finding more and more interlocutors—Singapore, the Philippines, India, Japan, South Korea, most of the countries of Europe—fully understand the strategic circumstances and the calculus that went into this. And I'm increasingly confident that—maybe not always openly and directly, but certainly behind closed doors—many, many countries understand the rationale for why we've done it, why we did it, and frankly, are impressed that we did it.

Dr. Edel: On this score of opening up a wider front of nations to choose that this might be in their security interest, either explicitly or implicitly. We've heard ever since the March 13 announcement of more nations that I would describe as 'Pillar 2 curious.'

Pillar 2 looks really interesting. We've heard this from New Zealand. We've heard this from South Korea, and we've heard this from France, too. And I'd be curious, as we shift a little bit away from the conventionally armed nuclear-powered submarines (you have to underscore those points all the time), what do we think the prospects are for expanding Pillar 2 to cooperate with other nations?

In the statement from the White House—if you're not tracking these quite as closely as we are here, we have noted that there has been a call to broaden out AUKUS and Pillar 2, but that's about the full extent of the statement. So, I'd be curious to get both of your take on the ability to expand this outward beyond these three nations?

Admiral Gilday: I think there's a huge potential to do that in selected areas. I think that's where I would begin—instead of a wholesale invite for nations to Pillar 2, I would look at certain areas where nations bring technology to bear that is going to make a difference, and that we have high trust and confidence that we can share that information back and forth. The preponderance of R&D, not only in the United States but in the world, that is being done not only by governments, but also by industry. We need to leverage that. That's the intent of Pillar 2—is to leverage that and to hit the accelerator.

The United States DoD is sometimes very slow in terms of how we transition new technology to actually fielding it. And so, we're trying to use, in some ways, Pillar 2 to accelerate that significantly. So, we can take disruptive technologies in some of those areas that I mentioned before, to get them on the table.

Dr. Campbell: I don't think I could say it any better than the Admiral—that was extremely well articulated. I do believe that there are going to be some areas where some allies and partners have some either direct or niche areas where they can assist in a larger endeavor. And that might be in hypersonics. That could be in cybersecurity. Or it could be in anti-submarine warfare. There are a number of areas that we will explore as we go forward.

I think the key is going to be, what do you bring to the table? And are you able to do it in such a way that is going to be practical and operational? So, we're not just looking for theoretical applications and partnerships, but practical, real efforts that will enhance defense capabilities. And so yes, I will say that we are in conversation with a variety of countries who are

interested. And frankly, it goes far beyond just those countries. And we're grateful for the fact that countries are interested in it. It's a positive. And we will explore those appropriately. I think all three countries have made clear that under the appropriate circumstances, we would be prepared to work collaboratively with other partners who bring capacity to the challenge.

Dr. Edel: So not a club join, but something for those nations who have the resources and capabilities to actually go after this.

Dr. Campbell: Yeah. And I think that's going to be important—this is not just what you receive, but what you bring.

Dr. Edel: Gotcha. We've gotten a lot of questions, in the press and online, about some of the challenges that we have. And Admiral you already started to talk about this, about how we share technology, how we can collaborate, how we can actually get money into our system from others. And so, this begins to dive down into the weeds of, you know, technology transfer, export control, and ITAR reform.

I got this question—which is emblematic of a lot of questions we're going to get. This is from Eli Cook at The Cohen group: "AUKUS marks a major enhancement of U.S.-Australian defense cooperation. While progress has been made towards the agreement, many commentators note existing U.S. export controls like ITAR have proved complicated and inhibiting, given the apparent urgency of the situation." His question, but also, I think a lot of people's question, is: "Do you agree with that assessment? If so, what progress is being made on this front to break down some of those barriers?" Because, given the urgency of the challenges that both of you have described, and some of the slowness of our system, reimagining what it might look like, I'm curious of your two cents about what we look like in terms of reforming the system at this point?

Admiral Gilday: Well, first and foremost, I think leveraging this as a presidential initiative helps break down barriers. I think that you need to understand what those barriers are to technology transfer in each individual case. And I think they need to be raised, discussed; the risk needs to be clearly understood. And then we look at how we mitigate and break down those barriers. There are technologies that exist today, like zero trust as an example, that we can leverage in these technology transfer frameworks, that would definitely mitigate or drive down risk, and perhaps answer a lot of questions or mitigate apprehension that some might have. We are in conversations with Congress right now, about AUKUS and the legislative proposals that are required, in order to move forward. And some of those involve the very things that you mentioned.

Dr. Campbell: The Admiral has given a really good answer. I would just begin with where he began, which is that this has been mandated by the president. So, this is not a whether-to, it's a how-to. And I just think sometimes that simple crystallized fact helps quite a lot in complex bureaucratic situations. So, we're under clear instructions to move in that direction. I would make that point number one.

Number two, I also think we recognize that we're moving into an environment where we need to work more effectively with allies and partners. And that begins with working more effectively with our closest allies and partners. And this is a classic, critical early case study of taking the necessary steps to make sure that you're working in a way with Australia and Great Britain, in which we won't point to inhibitions as being things that have made this ambitious program moving slower than it should be. So, I think we fully recognize, that's the second point I would make.

And the third is that, as the Admiral indicated, we're in the midst of very substantial discussions, both internally inside the government, but also with Congress, about how to take those steps. And so yes there is substantial debate that is ongoing about whether this process will be fulfilled. But I would simply say that everything I've seen signals that the U.S. government, the Australian Government are taking this just as seriously as possible. and that we are seeking to address exactly the points that you've laid out for us, Charles.

Dr. Edel: And this is extraordinarily challenging, because we're figuring out for the first time in 40 plus years how we're going to collaborate and safeguard and tighten those safeguard controls between all three of us.

On that final question for me, then I'll make sure that we hit the audience. Admiral, you talked about the fact that we're moving into the world of nuclear stewardship in a way that we are sharing in a sense that we haven't undertaken since we did it with the Brits multiple decades ago. As Australia starts this up from zero, when we think about the lessons of nuclear stewardship, what are things that we need to think about managing? I mean, that's an enormously large question. But from the diplomatic, political, legal area, what are some of the challenges that we have to get ahead of when we think about protecting and safeguarding this technology?

Admiral Gilday: You know, at one point as we were talking about AUKUS between heads of Navy, I pulled out and I reviewed Admiral Rickover’s comments in 1979 after the Three Mile Island disaster. He talked about the core principle that we have established in the Navy nuclear propulsion community and that we have never wavered from to this day. Everybody that serves on a

nuclear-powered vessel understands those tenants that Rickover lay down in the 1950s. And so, he talked about the difference between the civilian nuclear community and the Navy. And the fact that that, you know, the Navy's requirements are more rigorous, just based on the operating environment. But staying true to them and holding each other accountable in that type of environment becomes very, very important. And I think it can keep you out of trouble.

And so, I won't speak to the big policy issues, but I'll just say, at the end of the day, as I said earlier, that the bumper sticker is "there are no shortcuts." We need to stay focused, our navies, in terms of what we're going to do, and that we're going to do it together safely.

Dr. Campbell: One of the great things about the Navy is that its leadership encourages using history as a guide to help think through this period. And the fact is that no, we're not starting from scratch. We have almost 80 years of experience. So, the Australians have an enormous backlog legacy and foundational support from the United States around best practices. And I just don't think you can underestimate the importance of that, number one.

And when you look at the challenges, the focus primarily, and which is to be expected, has been on costs, and around other issues associated with a nuclear program. But the real challenge is creating a cadre of highly-skilled, motivated individuals who are going to be prepared to work both in industry and onboard submarines. And I will tell you I'm very pleased to say that process has already started substantially. And the naval officers and enlisted that are serving from Australian forces in American schools are doing extraordinarily well. And we're going to build on that, and it will be done in Great Britain as well.

So, I do think it's important to remember Charles, that this is not starting from scratch. I've watched the brotherhood and the partnership that the Navy has brought to this. Yes, at the outset, some skepticism, some uncertainty, appropriately so. But I've watched them make the internal commitment that they're going to do what they can to help Australia, as Great Britain will, to mount this enormous challenge. And because we've done it, and we know how to do it, we have high confidence that we can help them along this path.

And so, yes—it's enormously challenging. But we have an enormous amount of capacity to convey, and knowledge and experience that will come in handy, that will be irreplaceable, and that will be the best indicator of success.

Admiral Gilday: We graduate our first group of Australian submariners from our Nuclear Power School in Charleston, in just over a week's time, so we're very proud of that.

Dr. Campbell: And they're all above the mean. All of them are above the mean and not just a couple of them. These are guys that are excelling. And we're going to double down on this. That commitment is powerful and impressive.

And so, when you look at the challenges chart, Charles, on whether this will be sustained politically, I have every indication that it will be sustained politically in the United States and Australia. I believe, for reasons like the Admiral said, that the ballast in our boat will be the armed forces, will be the Navy, will be our commitment of our defense establishments that now we must complete what we started.

I also believe that politically, after extensive discussion between Republicans and Democrats here, both parties, and others in Australia, that we have the necessary understanding about what's involved here.

And I do believe that there will be challenges ahead. But at the same time, I think people accept those, and we didn't doddle and do nothing with that 18-month period. We essentially explored and interrogated all of these problems together. And we were extremely direct about what this was going to need, the number of people that are going to need to be trained.

And yes, there is a tendency to say, oh my gosh, are people really aware of what's going to be necessary? I don't think that it's possible with an endeavor of this magnitude, to be able to identify everything. But I've rarely seen a process more significant, more attuned to the challenges as opposed to just thinking about the parade when we're celebrating the victory. And so, I'm quite confident and bullish that our three countries and our capacities are up to this challenge.

Dr. Edel: I just note, one of the byproducts of that intensive 18-month endeavor, particularly when we're dealing with the international community that has questions about this, is that here at CSIS we hosted Rafael Rossi, the head of the IAEA, who said that this was undertaken as an unprecedented step in the most transparent fashion possible, and has a clean bill of health from the IAEA to this point.

So, any other information that's out there is not tracking with where the IAEA is at on that. I know that was a first goal for the administration.

Dr. Campbell: And you cannot have a country that is in better standing at the IAEA and at the NPT than Australia is. And so, I completely agree with that. I think if anything, we probably have to do a better job of promulgating this

storyline. And we will.

Dr. Edel: Alright, that's enough from us here. I know there are lots of questions here. Will Mauldin, I saw your hand go up. So please stand up, identify yourself, and ask a succinct question.

Q: Thanks Charlie, or I guess I should say Charles. Yeah, Will Mauldin with the Wall Street Journal.

All these submarines and allies in the region got me thinking about the potential for incidents or unexpected events with China or other nations. And for those of us in Beijing last week, with Secretary of State Blinken, we found out that there was not a breakthrough in terms of getting a military-to-military channel going to work with China. So, I'm wondering, is it worth loosening sanctions on the Chinese defense minister to get some kind of military-to-military channel going? Or, you know, how would that help? Or what do you do in terms of incident? Thank you.

Dr. Campbell: I can start, thank you. So look, China's inhibitions around military-to-military crisis prevention mechanisms and communication capabilities are long standing there. This is not a recent phenomenon. We do believe that it is important for the United States and China to take the necessary practical steps that would enable effective communication to deal with an unintended set of circumstances, or an accident, or a mishap. And we will continue to articulate the rationale for why these are important, particularly as our forces increasingly rub up against one another and operate in closer proximity.

I will simply say that—and if you do, it's been reported in The Wall Street Journal—China has undertaken some of these steps with other countries in Southeast Asia. I think they recognize the value of them. But for a variety of reasons—and we would say that they extend beyond simply restrictions placed on senior officers—that the Chinese have been reluctant, historically, to undertake these efforts.

We're going to continue to make the case both as Secretary Austin did at Shangri La, and as we try to do in all of our undertakings. That it is necessary, prudent, and indeed expected that the United States and China take the necessary steps to have those lines of communication to deal with unexpected circumstances. Like a spy balloon that makes its way across the United States, which no one had anticipated. But in fact, the necessary mil-to-mil communications were lacking in that set of circumstances.

And so, I think we will continue to make the arguments about why these are necessary. And we believe that the diplomacy that you experienced

last week with Secretary Blinken and the Chinese leadership is a good step. And we will continue to take those steps to improve dialogue and discussion with China as part of our larger strategy in the Indo Pacific.

Admiral Gilday: So, from an operating standpoint, operating in international airspace and on the seas, we follow the internationally recognized rules. And as you all have seen, from videos that we've released when we've been in close contact with, whether it's the Russians or the Chinese, our commanding officers out there have been very clear and unambiguous in terms of communicating very directly to their counterparts and other ships and aircraft what our intentions are, how we're maneuvering, what we're going to do next, in accordance with international law.

To avoid any kind of provocations, it is really important that we remain unemotional, and with a high degree of professionalism in terms of how we operate. As you would expect we would.

Dr. Edel: Washington time, let me take maybe two questions here at once. Peter and then Annelise, please.

Q: Yeah, thanks very much. Hi, Peter Martin from Bloomberg News.

A question for both of you. I guess there is a disparate set of technologies listed in Pillar 2. But I think a lot of people, including me, still find the whole pillar a little bit theoretical. So, if you could talk through what some of those technologies will actually mean for deterrence.

And then, I would be professionally negligent if I didn't ask Kurt what the events of the last 72 hours mean for Xi Jinping's big bet on Vladimir Putin. Thank you.

Dr. Edel: Alright that's two, and we're going to add a third question on top of it. That means you get to choose which ones you answer to. (Laughter.) Annelise?

Q: Hi, Annelise Nielsen from Sky News Australia.

Mr. Campbell, from the Australian perspective, we're very strategically aligned with the U.S. now with AUKUS. We're still suffering from some serious economic coercion from China in the meantime. And quite specifically, I'm thinking of the case of my former colleague Cheng Lei, who has been detained in China for two years. No progress in her case yet. What is the U.S. doing to support her case, and also for Australia dealing with Chinese coercion?

And to the Admiral, also in a similar vein, we're onboard with AUKUS now, but Australia is quite strategically vulnerable until these submarines come

online. What's happening in the meantime to ensure that Australia is not left vulnerable?

Dr. Edel: Alright, those are four questions. Pick your poison. (Laughter.)

Dr. Campbell: I'll start with some of these. I don't want the Admiral to have to venture into unfair ground, but he'll figure out the ones that are the right ones for him. (Laughter.)

So look, I would say that when our senior diplomats engage with Chinese interlocutors we do raise cases of generally citizens and others that we believe are being arbitrarily or inappropriately held in China. I'm not going to go into all the details. And I will also say that we coordinate with Australia as well. So, I'll just begin with that.

On the issue of economic coercion. I think you will have seen some of the statements that came out of the G7, an unprecedented recognition among allied democracies about the challenge that this poses, and the need to take collective steps. And I think there is a deeper recognition that what Australia has experienced, and frankly, handled with greater effectiveness than probably any country on the planet.

But those activities of economic punishment that have been perpetrated against Australia, we've seen it against Europe in various circumstances, the Philippines, South Korea. I think we recognize the challenge that this presents to both national economies, but also the global economy. And I think we've sought to undertake a broader effort, not only as part of our direct diplomacy, but working with other countries to gather capacity in which to address these issues directly with Chinese interlocutors. And it is a significant and serious continuing issue on the global stage.

To Peter's good questions, I would say that the lion's share of what we've focused on to date has been to ensure that Pillar 1, that the foundational understanding, capabilities, legal requirements are essentially ready for lift off. And that's been our dominant focus.

I think I would argue appropriately that we also believe that we have also begun efforts associated with Pillar 2. Part of what we are doing is a kind of cataloging with various countries of areas where we've seen particular progress, particular areas of technological capacity that we might seek to build upon. I think I did identify some of the areas that I think had been candidate topics. Those are by no means meant to be exclusive. We are exploring other opportunities as well.

Peter, I think what I would simply say is kind of watch this space, we are in substantial discussions now associated with Pillar 2 at the same time that

we're trying to make sure that, again, the foundational steps are in good shape with respect to launching Pillar 1 effectively.

On your second question, I think it would be fair to say that recent developments in Russia had been unsettling to the Chinese leadership. And I think I'll just leave it at that. Thank you.

Admiral Gilday: In terms of Pillar 2, most of the things that we're working on right now, with both the U.K. and Australia, are classified. But I would say that the examples that I can speak about involve AI and unmanned, which are closely linked. The AI being the plug on top of the water bottle, which would be the platform.

And so, we're doing work in the Middle East. We're about to do more in South America. And we'll join both the Australians and the Brits for a big unmanned exercise that the Australians are going to host in the fall.

With respect to deterrence, in July we will commission the USS Canberra, in Sydney—the first US ship to be commissioned in a foreign country. And so, one example of us stepping forward a little bit, perhaps, that has some deterrent value. We don't do that very often. And so, this would be the first time. I think the partnership is alive and well. And we're trying not to self-limit with respect to what we're going to do together in the future.

Dr. Edel: Again, for those of you who don't obsessively cover every twist and turn on AUKUS, I would refer you to some of the pubs, even the social media that the Department of Defense have put out, specifically around AI and unmanned systems, and specifically around efforts that have been undertaken in the U.K. over the last month.

Peter, I would just like to say, before we wrap, I would really like to underscore the unprecedented nature of the endeavor that we are on. We are hinting our way, we are picking our way towards a new way of trusting our allies here to strengthen them in order to strengthen ourselves. That is something that we haven't done in at least 70-year time, if not more than that.

I'd really like to thank both of you not only for taking the time, but for the extraordinary efforts that you've put into this, and pointing the way forward for actually making sure that we have that stability that we need.

If everyone could join me please.

Dr. Campbell: Could I say one last thing on the way out Charles?

Admiral Gilday is coming to the end of an incredible period of leadership

of the Navy—a life of service and commitment. And the last couple of years have been some of the most challenging.

And so, the person who deserves so much credit for making sure that we're asking the right questions, that we're attacking the problem effectively, is Admiral Gilday. And so, as we're wrapping up today, I'm going to do my clapping for him.

Admiral Gilday: Kurt, thank you.

(END)