

Center for Strategic and International Studies

TRANSCRIPT

Online Event

Maritime Security Dialogue: The Future of the U.S. Navy

DATE

Thursday, April 28, 2022 1:00 p.m. EDT

FEATURING

Admiral Michael Gilday

Chief of Naval Operations

Vice Admiral Peter H. Daly, USN (Ret.)

Chief Executive Officer and Publisher, United States Naval Institute

CSIS EXPERTS

Tom Karako

Senior Fellow, International Security Program and Director, Missile Defense Project, CSIS

Transcript By

Superior Transcriptions LLC

www.superiortranscriptions.com

Dr. Tom Karako: Well, good afternoon, folks. I'm Tom Karako, a senior fellow here in the International Security Program at the Center for Strategic and International Studies. And on behalf of CSIS and the United States Naval Institute, we're proud to give you today's latest event in our series, the Maritime Security Dialogue. This series is made possible through the generous sponsorship of HII.

We're delighted to welcome today's speaker, Admiral Michael Gilday, chief of naval operations. Admiral Gilday will be joined by Vice Admiral Pete Daly, chief executive officer and publisher at USNI, to discuss the future of maritime strategy and the state of the Navy.

Now, everyone knows who the CNO is, so I'm not going to give his full bio. He is, of course, a U.S. Naval Academy graduate, a career surface-warfare officer. He's commanded at all operational levels, from ship command to fleet command. And he became the 32nd CNO in August of 2019.

So if you're watching online, please do feel free to submit questions through the webpage.

And I'm going to turn it over to you, Vice Admiral Daly.

Vice Admiral
Peter H. Daly
(Ret.):

Thank you, Tom. And welcome, CNO. Thanks for giving us this time.

The administration recently completed the National Defense Strategy, and they released an unclass, you know, paper on it that staked out the themes. And the themes were integrated deterrence, campaigning, and building enduring advantages. And could you talk a little bit about how the Navy fits into that strategy?

Admiral Michael
Gilday:

Sure. I think it's – obviously, the focal point is China. And China is challenging us through all instruments of their national power. So I think the secretary of defense and what he's trying to do with his defense strategy, when it finally gets released, is make sure that it's completely synced with a bigger machine, which would be the National Security Strategy.

The idea of integrated deterrence is to think about – is for us to think about deterrence not just solely in the military lane, but more holistically, because China certainly is. And we certainly have a lot of respect for them based on their ability to learn and evolve. So if I set the table by talking about China for just a second, just thinking about the facts related to China and their phenomenal growth in the military dimension, but also in the economic dimension, not just regionally but globally, they've exceeded every deadline they've ever set for themselves. And so their deadline by 2050 really to be a global power by – it used to be 2035, and now it looks like 2027 to be regionally dominant militarily and economically.

And so we take that '27 timeframe that President Xi has talked about publicly very seriously. And so for us, with respect to this strategy, the balance that we're trying to maintain is to be ready to fight tonight, to be ready for that 2027 or sooner scenario, which we could face, as well as looking at the modernization piece and the enduring advantages.

And so with respect to the Navy and how we operate, I think that distributed maritime operations conceptually has given us a good understanding over the past five or six years of how we want to fight, not just the Navy but the Marine Corps, and not just the Navy and the Marine Corps, but it's our contribution to the joint warfighting concept and how holistically we would contribute to joint operations and potentially to joint fight.

And so if you take a look at the kinds of things that we're investing in, not just on the sea but also under the sea and above the sea with respect to our airwing, if you take a look at the weapons we're investing in, if you take a look at our investment in the human weapon system in terms of people, I think we are fielding a force today and into the future that gets – that meets the call for a combat-credible force that the secretary speaks about.

If I can get back to the tension, of course, that almost always exists, it's how much money do you want to put in today's force to be ready to fight tonight relative to the money you have to put in to modernize the force, 70 percent of the fleet we'll have in the early 2030s? And so that has been – that tension's been there, but I would tell you, if you take a look at my unfunded list that came out after the '23 budget dropped and it sends a pretty clear message to Congress that if I had another dollar I would put it towards maxing out production lines of weapons that are going to matter in a fight, not only in five years but today, so to max out domestic production lines for weapons at range, speed, lethality, and capability in 2023. More money for flight hours, more money for maintenance, more money for spare parts – all those things that give you that wholesome fleet you need today and ensure that you're still going to have it in the future.

In terms of campaigning, so I would say that the distinction between campaigning and competing is that the secretary really intends us to be forward, but for that presence to be purposeful, and whenever possible, can we measure what we're doing, and not just do things in a vacuum as a Navy and a Marine Corps, or even individually as services, but how do we fit into the – to a whole-of-government approach to deterring China? What objectives do we have that we want to set, and to essentially put more thought into how we use our forces on a day-to-day basis against a threat – the epicenter, of course, is the Indo-Pacific, but it's a global threat, all-domain, and so hooking that up with what we're doing in space, what we're doing with cyber, what we're doing in the economic dimension, what we're

doing with allies and partners, what we're doing with foreign military sales. So there's a lot of aspects to it that needed to be knitted together in a much more, I would say, rigorous way than perhaps we've done in the past.

And then with respect to enduring advantages, I think the undersea is one as an area where we do have overmatch and we want to sustain it. There are other areas like quantum computing, AI is another, connected with unmanned, I would offer – are areas that we are investing heavily in with respect to R&D in order to try to institutionalize or establish those advantages that are going to have an impact into the future.

Vice Adm. Daly: Got it.

Well, you know, you mentioned the budget and some people got excited when the budget came up, and of course, it was followed pretty quickly by the 30-year shipbuilding plan. You know, reading what you've put out previously and listening to you speak, it appears to me that you've rigorously, even kind of relentlessly put this through the lens, put the budget priorities through the lens of readiness, including sailor readiness and resiliency and training; capability, which you just mentioned, to fight the pacing threat, to meet the pacing threat and exceed and win; and then capability kind of came in third, not that you don't want it but you've got to rack and stack. And some people took umbrage with this but it strikes me that if you look at it through that lens, ruthlessly, then things that people get excited about like, well, why is this LCS that was recently commissioned going? Well, it doesn't hit the pacing threat. So could you talk about how that drove your budget decision specifically?

Adm. Gilday: Sure. Yeah, so we've been following those priorities that were actually established by my predecessor, Admiral Richardson, and I've just maintained them, because they make sense, and when you take a look at, as an example, just as an aside, you take a look at force generation and the Achilles' heel of our ability to generate forces forward has always been maintenance and how we as a Navy have lived with 25 or 30 percent success rate of getting ships out of maintenance on time is something that we should only be not dissatisfied with, we ought to be upset about it, right? It's part of our DNA in terms of what we do. You know, it's taking care of your ships, it's taking care of your aircrafts, so we're trying to – obviously, we're trying to flip that. But we've maintained those priorities rigorously.

And I would say, to Secretary Del Toro's credit, he has been 110 percent behind that, and so that's not to say that we're not fighting for money for more capacity, but when we took a look at the top line that we had for '23 and taking a look through the lens of those priorities, our bumper sticker was, we're not going to have a Navy bigger than we can sustain. So we then took a look at warfighting-evaluation criteria at a classified level and racked

and stacked our platforms, and then we made a determination based on those platforms that stratified low with respect to the war fight that we were going to have to – that we were going to have to look at retiring.

Now, that will be a debate and it ought to be a debate on the Hill with respect to if all of those ships retire or when they might retire what might be bought back. Should DOD get a higher top line? Should it be those ships? Should it be another capability within the Department of Defense?

So I think that those debates are healthy and they actually keep us focused, I think, on the right thing to make sure we're making the right decisions. There's always a little bit of politics involved and that's just life. But we're trying to make a case based on the facts up on the Hill, and I would say we're up there every day and we'll be up again this afternoon, and our priorities resonate up there. They have – we have credibility, I think, with respect to how we've constructed our budgets. Nobody likes the numbers with respect to capacity, but they know that if we flip that model and we make capacity king, we're going to have to pay for those ships somehow and it's going to come out of manpower, ammunition, and all those other things.

Vice Adm. Daly: Well, I'd like to follow up on the capacity thing. You talked about, you know, it's going to be – there's going to be some tension there, especially on capacity, and some big impacts in things like industrial base and other things.

So if you go back to, like, the mid-teens, like, 2015, 2016, there was a series of force structure analyses that kind of pegged the force structure for the battle force ships at, you know, 355 to 362 range. And then, of course, you more recently said, yes, but we'd also like to add to that some unmanned or optionally manned platforms that could get you up to – closer to 500.

So if you look at those numbers and then you consider the fact that for six years that just went nowhere in terms of budget support for you, and then you look at the – you know, what you're describing is the – you know, getting ready for the pacing threat. But you're also dealing with some – you're inheriting some block obsolescence and, you know, I note that the Navy never got the recapitalization and the reset that others got.

Adm. Gilday: Right.

Vice Adm. Daly: So you've got things like you're having to self-fund the \$9 billion per submarine Columbia-class. You're dealing with now the first couple carriers in the Nimitz-class, which is a late '60s design, as you well know. But those guys are hitting in 2025 and 2027. And then, you know, back in the day – this is not so long ago for you and me – you know, we were authorizing four or five DDGs a year and now we're, like, woohoo, we get two.

Adm. Gilday: Two.

Vice Adm. Daly: So what do you think it's going to take to break through on the capacity argument? And maybe – you know, I've just got to ask this, how do you plan in an environment where you don't know the big number?

Adm. Gilday: So you made some really good points a few moments ago. I'll say up front I am an optimist and so when I talk about where we need to go with the fleet and in terms of building a fleet for the future, I really use the submarine force as an exemplar.

And so I spend a lot of time with industry, both in the production side on the repair side, and the thing that strikes me in the submarine force is that if I take a look out to 2037, 2040, almost 20 years from now, on the production side they have a high degree of confidence that we're going to be in a cadence of two, if not three, attack boats a year plus an SSBN.

So with respect to the industrial base and the investments that they have to make in our workforce and also in infrastructure, they can count on stability and predictability like no other element in the entire Department of Defense. That's where I like to go with surface ships. So, I think we have a start.

You mentioned destroyers. Two a year through the FYDP – I consider that to be a success. I was just up in Bath, Maine, a couple of weeks ago. They're at about one a year. My question is, when can you get to 1.5. Pascagoula, you know, keep on pushing. I would like to get to a place where – and it's definitely achievable – where we're – we have three destroyers in the budget a year.

I'd like to be in a place where we have two to three frigates a year. Right now, on frigates we kind of have a sawtooth pattern on a one-two, one-two, one-two. We will fair that out, I think. If we get more top line, 1 to 2 percent top line, we could buy – we could have frigates in that same kind of cadence. Supply ships the same way, potentially LPDs on two-year centers where we're funding one every other year.

I think that we can get to that place. I really do. And I think that that argument is, as we – as we lay out in both classified and unclassified settings on the Hill in terms of where we are and where we want to go, that makes sense to them. That kind of stability and predictability is good for the Navy. It's good for the nation. It's certainly good for the industrial base.

When we took a holiday in the '90s, as an example, I think building submarines we took a six-year hiatus. We're still paying for that with the workforce. And so, that stability and predictability part of it – and buying

ships that have, you know – that have the right stuff and have the capacity to get you even better stuff in the future, put better capability in the future, I think is the path that we need to be on. That's the aspiration.

Vice Adm. Daly: The amphib issue has popped up because one of the budget elements is to truncate the LPD 2 line.

Adm. Gilday: Yes.

Vice Adm. Daly: And you know, you'd mentioned your unfunded list. In previous years, there were ships on there and now it's capacity, but you've stayed away from the ship thing. I notice that the Marines, on the other hand, put front and center on their unfunded list an LPD and –

Adm. Gilday: Yes.

Vice Adm. Daly: – at least to partially fund an LPD or complete funding of an LPD.

So, is there some tension there? I noticed that just this week in testimony, General Heckl said, well, you know, we wanted to send the Kearsarge ARG a little early –

Adm. Gilday: Yeah.

Vice Adm. Daly: – but then the EUCOM commander had made a request and said hey, as this Ukraine thing, you know, evolves or devolves, maybe we could push the Kearsarge and the MEU over sooner, and we weren't able to do that because – Heckl said – General Heckl said we weren't able to do that because of the ships.

So, do we have a problem on the readiness side? And is there some tension on the objective force level side?

Adm. Gilday: So, on the Kearsarge ARG, the last point that you made, that ARG was on a PTDO for a certain amount of time. So, if the bell rung early – they were scheduled for a mid-March deployment. They were never on the list of stuff that General Wolters asked for earlier. He asked for DDG submarines and other things. At one point, we had 30 ships in the theater. The ARG was not on there. Although, the ARG was ready to launch if we needed it to. One of the ships had material issue that I think that General Heckl might have pointed to.

Vice Adm. Daly: So, it could have been, like, the DDGs that you pushed over there?

Adm. Gilday: Yeah, right. If the bell rung, you could have pushed two of those three ships out a little bit earlier.

Vice Adm. Daly: Right.

Adm. Gilday: But I get his point. I think his larger point is about capacity. We're not satisfied with capacity with any line of ships – with any platform that we have, and so, on the LPD 17, the reason why it's not on my unfunded list is because it wasn't unfunded in FY '23. So, it wasn't a ship that we were going to fund that fell out of the budget. In the previous two years, the last year the DDG fell out of the budget, and so, I wanted it back in. The year before they took a submarine out of the budget – the administration did after the Department of Defense submitted their budget to the White House.

And so, I felt I had good reason those two years. We did not have an LPD – we did not have two LPDs in '23. So, the LPD line got terminated in '25. They're on every other year or two-year centers. So I think – General Berger and I met before he – before he did that. As a service chief, I completely understand where he's coming from. We just finished up an amphibious – traditional amphib assessment in the Pentagon with the Navy and the Marine Corps. The commandant and I sat down with the secretary of the navy last week on that. There's no daylight between us on the numbers, and they'll become public here at some point.

I think we're in a good place. There are no two services closer than the Navy and the Marine Corps – and could I just speak to this for maybe just 30 more seconds?

Vice Adm. Daly: Absolutely.

Adm. Gilday: So, if I would go beyond the Pentagon to where it really matters out in the fleet, right now Admiral Burke is NAVEUR and also as JFC Naples, who – Admiral Burke has a lot of real estate, a lot of forces, and a lot of responsibilities right now. He has command of all those forces in Eastern Europe. They're under his – they're under his command.

And so he has stood up his JFMCC with Admiral Black, and there are 25 or 30 Marines on that staff, I think including the DCOM might be a Marine. And the CONOPS for that theater is co-signed by both the 6th Fleet commander and the MEF commander. If I go out to the 7th Fleet, where Admiral Thomas is at, his CONOPS is co-signed by the III MEF as well. We are doing stuff in the unmanned arena with them. We're doing stuff – the CURSARS, before they – before they headed east on that deployment, they did an EAB scenario tied into DMO and EABO done off the coast of North Carolina.

And so operationally we are headed in a really good direction together. And so I tend not to – people are always looking for, you know, a friction point to write about or to talk about. But I think the commandant and I are in a very good place. I think our staffs are. And more importantly, the fleet and MEFs are.

Vice Adm. Daly: Well, just to even continue that, the impression I get is that there was a lot of really interesting stuff that happened last year with the large-scale exercise that gave insights about how the Navy and Marines could work more closely together. So it sounds like that that's continuing.

Adm. Gilday: Yeah. I went out there to Kauai. I watched them shoot the – I watched them do two Nimitz's shots against a hull out there in the Pacific. The targeting for that was done by a maritime targeting cell expeditionary, which is a variant of the same thing that we have on our ships, that essentially is an intel fusion capability in order to build fire control quality tracks that you can put a weapon on. And then if, you know, you want to – we want to talk about Overmatch, the ability to push those targets – you know, push that data over any network that the software decides is available, which will get it – get it to the shooter fast.

Anyway, the exercise of an expeditionary advanced base out there during that exercise. And I visited one of the Marine littoral regiments out there in Hawaii as well. Really impressed with where they are where they're going. It's a – I'd tell you, I'm really proud of operating – I'm proud operationally about how we're marching together.

Vice Adm. Daly: Great. You just fleetingly mentioned Overmatch. So you've placed a huge bet on distributed maritime operations, which hinges mightily on the naval operational architecture and Overmatch. And you've put a stake in the sand that you're going to deliver on the architecture, you know, mid-decade. How is that going? And I know some of it's – obviously, a lot of it's classified. But are you satisfied with the progress? I understand you might, like, start to spin this out in serials. How is it going?

Adm. Gilday: It's going well. We're on track right now to do it – to essentially scale into a strike group – effectively scale into a strike group in early '23. And then we'll go multiple strike groups and fleet-wide after that. It'll be conditions based more than time based. I am pushing to go fast. The original estimate on this project was 2033. Not fast enough in this decade of urgency. The other thing is that it's a vital – it's a vital component of JADC2.

And so all the service chiefs are getting together within the next two weeks to go over where we stand and to take a look at the synergy across all of our efforts – Army convergence, Air Force ABMS, and Navy's Project Overmatch. So what Navy will end up delivering is essentially the joint tactical grid, if

you will, or joint tactical network that all the services can plug into. This can't be something that just works for the Navy and the Marine Corps. It has to be broader.

But I would also say that that effort within the Navigation Plan is one of, I would say, eight big efforts that are underway in this decade that we're trying to land. And I can talk about that for a sec, if you want.

Vice Adm. Daly: Well, what do you think – since you brought it up – I mean, you've got your new NAVPLAN which is about to drop, but what are you willing to share with us on that? Like, what are you – like, maybe of those eight, what are your big two or three that you think people should have an eye on?

Adm. Gilday: Yeah. So there are big four plus four. And so the four primary ones would be long-range fires. We talked a little bit about that. Hypersonics is definitely in the mix there, and we want to field that in 2025 on Zumwalt, 2028 on the third Block V Virginia-class. Maneuver – so counter C5ISR&T. So this is our effort to blind the opposition so that we can maneuver effectively and maneuver inside the enemy's WEZ for a certain amount of time. And so that work is all classified. Actually, the north start objective is classified for that work, but essentially, it's to give – it's to be able to maneuver the fleet.

There is a – there is a third imperative in the NAVPLAN for terminal defense. So think laser-directed energy, microwave energy. Think about layered defense for survivability of the fleet; so long-range fighters. I mentioned defend the fleet, maneuver the fleet, and then sustain the fleet. So there's an element of contested logistics that also is a big effort for us right now, and actually leveraging unmanned potentially in that area.

In terms of four additional efforts that support those big four, Overmatch would be one of them. So networks is one. AI is another. Unmanned is a third. And the fourth one would be live virtual constructive training. And so those are big – those are big moving priority elements inside the budget that don't get a lot of visibility. They don't get a lot of visibility, a lot of talk, because they're not directly translatable into platforms.

Vice Adm. Daly: Right. But you did, and it's a bright spot under capability. RTD&E has gone up 19 percent.

Adm. Gilday: Yeah.

Vice Adm. Daly: So I guess a lot of that is directed –

Adm. Gilday: A lot of that is directed there. There is – some of that money is going to quantum computing, quantum science.

Vice Adm. Daly: Right.

Adm. Gilday: And so that'll be a game changer potentially within Overmatch, and what we're trying to bring in terms of decision superiority to the tactical edge. And then another area, of course, is artificial intelligence, which has fundamentally changed the way we are looking at experimenting and fielding unmanned out in the fleet inside the FYDP, and some of that work informing larger-scale unmanned platforms in the next FYDP. So think '28 to '32.

Vice Adm. Daly: Got it. You know, you mentioned Overmatch in a couple of threats. But – and you also mentioned the importance of being ready today, modernizing, continuing. So you've got SPAWAR, now NAVWAR, out on the West Coast kind of as your Overmatch guy. But it strikes me that so much of what has to be done there has to be done by NAVSEA and NAVAIR to work all the individual things that are either in ships now and aircraft now or are about to be.

Do you feel – I mean, that's a very – that strikes me as a very complex task. How's that going?

Adm. Gilday: It's good. This is how – the only way you can empower a two-star to do that kind of work is to give him or her the authorities to do it. So Small has authorities that –

Vice Adm. Daly: Right. Doug Small.

Adm. Gilday: So Doug Small has the authorities in those areas he needs within NAVSEA and NAVAIR, within the other SYSCOMs. And so they have – those other SYSCOMs have responsibilities, whether it's as technical experts over a certain capability or platform, as well as acquisition authorities. So we needed the help of RD&A to thread that needle to give those authorities. So some of that was a leap of faith. And I'm grateful for the teamwork authority and the secretary in doing that. My first question always, when I talk to Admiral Small – and my recent call to him was last week – what additional help do you need of the authorities panning out? That's been the key to this.

Vice Adm. Daly: No, and it sounds like, you know, not to go too far back in history, but you look at, like, what Red Raborn, you know, had to do with the Polaris program and the letter of mark that he got from Admirals Rickover and Admiral Burke. So you feel like Small's got the – he's got the juice to do it.

Adm. Gilday: Yeah. If you go back and take a look at the letter I sent Admiral Small, it is – I ripped off that Polaris letter from the early '60s and I essentially said this is akin to the Polaris project.

Vice Adm. Daly: Well, it's just – it's just tough to do. I think it's just tough to do for anybody. But the fact that you're developing and moving to the future, but you still have to bring along all these other programs that are already in existence, you know, it's not for the faint of heart.

Adm. Gilday: If I could just speak to that for a second, we tend to talk about things in three timeframes. So it's the FYDP that we're in right now. There's really a transition FYDP timeframe from '28 to '32, let's say. And then your force-design FYDP is really in the '30s, so '32 – probably from 2032 out into the late '30s, where you're really going to want to land that hybrid fleet. And it's not just surface vessels, but it also includes the airwing of the future, right. And it also includes unmanned that we're going to have under the sea.

And so if I take a look at the investments we're making, if I take a look at the undersea as an example, so Virginia-class Block IV, Block V, eventually we'll feather into Block VI during that – during that transition – during that transition FYDP. And then, in the undersea, in the mid, let's say, 2030s, we'd be looking at SSN(X). We're putting R&D against that platform now. We're investing in and still doing research on weapons, higher lethality and more capable weapons in the undersea domain, undersea communications. The SEALs – there was just a great article in Proceedings a month ago by Admiral Howard about their shifting to their Frogmen roots; that has a lot to do with undersea warfare.

On the sea, I already talked about the frigate and Flight III DDGs, but that's – Flight III DDGs will pave the way – 2030 is when we're looking at DDG(X), and so I think that will be a three-year overlap with Flight III DDGs and DDG(X) to give us – so we don't put too much money on something that, you know, is a new – it will be a new hull and existing combat system. And I think – by that time I think we'll be in a better place with LUSV. I don't know if we'll have a medium unmanned or not. The stuff that Admiral Cooper's doing right now with CTF-59 and using small unmanned on the scene, in the air to sense the environment and make sense of it in order to yield a common operational picture for allies and partners, as well as the Fifth Fleet headquarters, has changed my thinking on the direction of unmanned. We are learning so fast in fielding these capabilities out to the fleet, or potentially fielding them quickly inside the FYDP. We may be able to close capability gaps with small, expendable unmanned off of any platform, rather than thinking that we have to build, you know, a large –

Vice Adm. Daly: LUSV.

Adm. Gilday: Yeah, there may be room for that. I'm not saying that we don't need an MSUV, I'm saying it will cause us to consider numbers and what potentially they're going – what potential payloads they're going to have.

Unmanned – there's so much potential there, coupled with AI software integration, that it's difficult to put a definitive number on the numbers that we're going to have in the air, on the sea, or under the sea. I just think that there's a lot of potential there, and I like the way we're going with the unmanned task force that's tied together acquisition specialists, requirements folks, scientists from the Navy research labs, and also the fleet with CTF-59 in terms of real-time exercising, experimenting, and developing CONOPS. It's been a powerful, eye-opening, awakening experience for us, I'd say.

Vice Adm. Daly: Also, in addition to that, industry and foreign partners who have – it looks like they've really – they've dived in on this thing.

Adm. Gilday: They absolutely have. I just spent time with the secretary of defense at the 2+2 ministerial with both he and Secretary Blinken's counterparts from India. I've spent more time in India than I have in any other country. I see them as a huge strategic partner in the future. But the Indian Ocean is about five times the size of India. As I talk to their leadership and I say, you know, you can't build – if you're concerned about China, you can't build a navy fast enough to understand what's going on in that critical environment, strategic in nature, for the region and globally, and so they just joined the coalition maritime force in Fifth Fleet, so they got it; they want to be part of this unmanned effort. When I spent time in Delhi, I visited a number of their small startups that had both – they were either platform developers or they were AI software engineers, and so we are bringing them in, along with other countries, into that effort.

Vice Adm. Daly: You know, we've talked about, you know, the manned and optionally manned, the TF-59 piece, the Overmatch piece with Rear Admiral Doug Small in NAVWAR, and we have a lot of people who are probably listening in or will watch this that are from industry, and of course, you need industry at all levels here, but do you feel like the right doors are open? Sometimes in the past – I won't point to any particular periods of time – it seems like we didn't do as good a job of engaging industry early enough and having the back-and-forth, especially on requirements choices. Do you feel like we're doing that right now?

Adm. Gilday: Not yet. I think we're on the right path. I think NavalX is opening doors that weren't open before, particularly for small companies. Or, to give you an example, if there's a small team up at MIT and they have an interest – they've watched some of our stuff on a YouTube video or maybe they catch a portion of this and they want to pitch in and help in some way in the unmanned – in

the unmanned arena. But the first time they do some research in the Navy, they're looking at warfighting labs, right? You know, that may turn them off. And so NavalX – NavalX is an entry point for businesses of all sizes to essentially connect in the right way with the right people in the Navy in order to – in order to test stuff, field ideas quickly, and potentially allow us to put stuff on contract.

The Congress has given us a lot of ability that we didn't have in the past with respect to acquisition authorities. And so I'm not complaining about authorities we have, we just don't typically move at a pace that satisfies industry. In the case of some of the smaller companies, they are – they are on a six month – you know, a six-month cadence in terms of – in terms of their spirals and developing new stuff. The other services – I've talked to the chief of staff of the Air Force and I've also talked to the Army about the way they're doing things. We're learning from them. They have similar constructs.

Vice Adm. Daly: Right, like the Air Force has an AI accelerator at MIT. But I think you got a couple Navy folks in on it.

Adm. Gilday: We do. I tell you, the collaboration among the services is really – it's uplifting. I mean, I'm really heartened by the way we're moving out on JADC2 together. It's not parochial. So in fact, I'll be honest with you, in certain strategic portfolios, I am happy to compete with the other services and may the best capabilities win in terms of what we're going to put our money against in a constrained budget environment. I think we had to do that. I don't think that services should be left to their own siloed selves to develop things when we know, you know, it's a clear signal from the secretary of defense with respect to, look, we need combat credible forces. Long-range fires is really important. The ability to fling that – to fling those weapons, you know, at range is important. So what are we going to bring to bear that's going to give us the best – you know, the best bang for the buck? I'm happy to compete for that money.

Vice Adm. Daly: Well, shifting a little bit, I think we should just spend at least a few minutes on the current thing that's going on with Ukraine and Russia, the loss of the Moskva in particular. I think, you know, could be – there could be some lessons there. There could be some cautionary tales there. And I'm just wondering what you think. I mean, here are these Slavics that have been around since the early '80s. What does that tell us about retaining platforms? What does it tell us about getting the most out of a platform, no matter how old it is? Resiliency, training, you know, just like to get your view on all that.

Adm. Gilday: Yeah, you touched on a few of them in terms of legacy platforms, specifically with respect to lethality, whether it's defensive or offensive. And they may not have it. We don't know yet exactly what happened with Moskva. We

don't know if – whether or not they saw the threat. We don't think that they tried to defend themselves ahead of time too. So there's a lot of questions there. I would say for me, as a CNO, and for the fleet today, it really – it's, if nothing else, a poke in the eye that you have to understand the environment you're operating in. You have to understand the threat. And you have to understand yourself and your own capabilities, and how you would use them, and train to them.

And so those three things are fundamental. You know, as a CO, you're always asking yourself those three questions when you're – when you're deployed forward. And so I think right now that's the first thing that comes to mind in terms of – in terms of an imperative, you know, to wake up if you haven't been thinking about that stuff on a daily basis. It should be at the forefront of your mind. Hopefully over time we get a better understanding of what happened there. I think more broadly, there are things that we're learning about what's gone well in Ukraine and what hasn't, and what potential lessons we could draw with China, Taiwan, that we need to – that we need to examine very, very closely.

Vice Adm. Daly: Right. Well, I'm going to switch gears here, CNO, and take some questions from the audience that have been submitted. And they're still coming in. But first one's from Peter Ong from Naval News. It says: With the early decommissioning of the Freedom-class LCSs, do you think that the littoral MCM surface warfare ASW task requirements are fulfilled? Or is there another ship design required?

Adm. Gilday: Yeah. So the ASW – so I would tell you that the frigates would be the gap filler there with respect to ASW. Those requirements for that ASW package, for LCS, were developed back in 2008 against a diesel threat in the littorals. Then our minds shifted to, well, we'll be using these things out in the deep blue ocean. And I'd tell you, from a sustainability – well, first of all, the ASW modules just didn't pan out. The VDS didn't work as it should. LCS is as noisy as an aircraft carrier. And so there were some big challenges there that we should have picked up on way earlier and, for me, it got to the point where, you know, I've been looking at the data on the ASW package for the last year and a half to two years and it got to the point where it was time for a decision to be made and I wouldn't put any more money against it.

And so that left the future of those ships open and why, if I get back to my conversation or our conversation earlier about warfighting valuation criteria, it didn't stratify very high. The MCM modules are on track to IOC either late this summer or in the fall but within the next year, and so we're in a better path with the MCM modules, and the surface warfare module, as you know, has been around since 2019 within IOC.

Vice Adm. Daly: Got it. Got it.

This one's from Mark Kanick, captain, Supply Corps, USNR retired: Has the Navy and SECDEF considered recommending sending either the Comfort or the Mercy into the Black Sea for the purposes of humanitarian medical assistance to Ukraine?

Adm. Gilday: We haven't. So for the time being, I think we're going to stay out of the Black Sea. From an escalatory standpoint, from a defense standpoint right now, that's pretty close to the front lines. I think that we can provide help. Fortunately, we have Poland next door to Ukraine. And so I would offer as we – was it Mark? Was that his first name?

Vice Adm. Daly: It was Mark.

Adm. Gilday: Yeah, Mark. What I'd say to Mark is I'd, first, try to understand what the requirement is and then I'd take a look at the best ways to satisfy that requirement, and, perhaps, a hospital ship would play in there. But as we saw during the pandemic in our own country when we thought that the hospital ship was the right tool, and it was – the intent was great. It made us feel good. But it didn't move the needle. And so you got to – and I just say you got to understand the requirement before you before you marry up the solution sets.

Vice Adm. Daly: Got it. Was it the same – you know, this is now a Pete Daly question – but was it the same thinking about escalatory? You know, I wondered for a moment did we miss a chance to put combatants in the Black Sea even though with the Montreux, you know, Convention, you weren't going to have the chance to exchange them, you know. But you could put them in and they could come out at some point of your choosing. Was that ever in the mix? Like, maybe we should leave some people in there, knowing that it might be a while?

Adm. Gilday: Yeah, it could have been. But not that I'm aware of. I mean, I think the – you know, the president's imperatives were didn't want a war that was going to involve NATO. Didn't want a war that was going to involve us. And so he had a couple of imperatives that directly, I think, affected the posture in the region.

Vice Adm. Daly: Roger.

OK. This one's from Dr. Phil Houseman, OPNAV N2/N6: How will the Navy collect and catalog enough data to enable smart machine learning algorithms for unmanned ships? That's pretty detailed but involved.

Adm. Gilday: Yeah. No. So I would tell you the way we consider the use of data when it comes to ships is that they almost have to have their own – each ship has to –

has their own tactical cloud. That would be the stretch goal for each ship, right, where that tactical cloud might be informed by a data lake back in CONUS or in Hawaii or wherever it might be.

But at some point, that ship, whether the ship makes a decision, whether the adversary makes it for us, is likely to be cut off from communications and only have the data available that you have resident in your own tactical cloud, supplemented by your own sensors.

And so I think, first and foremost, you have – we have to have the ability from a mission command standpoint to leverage microprocessing and applications, and this is exactly what we're trying to do with Overmatch in order to make the most use of that data locally. And then I think the real key is the AI capabilities you're going to use to leverage the data. That's the real key.

I think we're in a good path. We're in a good path in terms of experimentation to work our way through that.

Vice Adm. Daly: Well, it just strikes me – even just look at – you know, IBM's got that Mayflower Initiative, and just getting a ship that do a transoceanic transit and meet all the possible permutations and combinations to comply with COLREGS, just not – much less not to fight, just to comply with the navigation requirements, it's daunting.

Adm. Gilday: Can I talk about that for a second?

Vice Adm. Daly: Absolutely.

Adm. Gilday: So the Navy – our Navy – your Navy now has 41,000 nautical miles under its belt of autonomous travel with four different vessels. And so we made numerous transits from the Gulf Coast through the Panama Canal up to Port Hueneme, California. The only portion of that transit that wasn't autonomous was through the Panama Canal. But in terms of the mastery of COLREGS and vessel avoidance, we think we're in a really good place with that.

Now, to send an unmanned out into the ocean with a mission, and to expect that unmanned to come back and salute and say mission complete, that's a whole different problem set. And we are – you know, that's something that we're working on, but quite frankly that's going to be a journey for us.

Vice Adm. Daly: Are you talking about the warfighting aspects, the mission aspects? Or are you just talking about the part that we all know about, which is things break and may need a person to fix them?

Adm. Gilday: Both. I think in – so I use the word “unmanned” perhaps too often. I think that we’re going to be in an evolutionary path here with unmanned, and I think that’s likely to involve minimally manned for a while. I’d like to get to a place, let’s say, with large USVs where we can deploy them with strike groups and ARGs let’s say in the 2027-2028 timeframe. A lot of the work we’re doing right now with the Unmanned Task Force, with CTF-59, will hopefully buy down technical risk, make us an informed customer with respect to what we’re going to buy for both an engineering plan and a command-and-control framework, so that we can begin to deploy those things and do the kinds of – same things we’re doing with CTF-59, is learn stuff out there as we’re – as we’re using these LUSVs and perhaps medium USVs, right, so that we don’t – like, with LCS, we bought 35 of them. I don’t want to wake up in 15 years and say we bought the wrong kind of LUSV with the wrong engineering plan. So I am very much into the – Admiral Wayne Meyer’s, you know, build a little, test a little, learn a lot than I am slapping – well, Congress is not going to let us move that quickly anyway, so we are trying to prove ourselves in an evolutionary, deliberate, informed kind of way.

Vice Adm. Daly: Makes sense.

Here’s another one that’s in the queue, which is from Joe Kunzler, Oak Harbor Navy League: Why is the Navy in the FY ’23 budget divesting five EA-18 Gulf expeditionary squadrons at a time of increased demand for airborne electronic attack?

Adm. Gilday: Yeah.

Vice Adm. Daly: And so, for our audience, the Navy does have some concrete squadrons that deploy not on ships.

Adm. Gilday: We have small – you know, five or six aircraft squadrons that we – that we deploy in an expeditionary manner. We have one in Europe right now. It’s just not where I’d put my next dollar. And so I’m looking at carrier-based aviation. That’s what we do. That’s what we bring to the joint fight. And again, in a budget-constrained environment where I have to stratify stuff with respect to how the Navy’s going to contribute, the expeditionary – that capability – it’s not the capability, believe me. The capability’s awesome. But I need it integrated into an air wing at sea, and so that’s what drove – that’s what informed that decision to retire those squadrons.

Vice Adm. Daly: Roger.

Hey, you know, during COVID, which now it’s looking like we are finally emerging and getting back to a return to mostly normal, your ships – your

deployed ships, your sailors spent a lot of consecutive days at sea, and the equipment spent a lot of consecutive days at sea.

Adm. Gilday: Yeah.

Vice Adm. Daly: And so two aspects to my question.

One is performance. Did you find you were able or was there any insights there about supporting this equipment, I mean, whether it was, you know, aircraft on flight decks, radars, circuit boards and TECHREPs?

And the other was just physical maintenance. There was some BIPing online about the appearance of ships because, you know, it looked like “Das Boat,” you know, like, 200 days underway.

And so the question is, insights from that and, you know, both angles – the performance of the gear and the sailors, and then the appearance and the maintenance of the hardware – I mean, the physical plant.

Adm. Gilday: So I didn’t see any significant drops in readiness. I will say we had our challenges in the supply chain, and I’ll talk about that for a second. But there is something to be said by turning something on and leaving it on that I think play to our benefit. We were only pulling in – we were pulling ships in occasionally, and they would have pier-side liberty.

So if you went out and you asked some of those crews, do you want to pull in and, you know, have pier liberty, they’d say let’s just stay out at sea and we’ll do a – you know, we’ll do a steel-deck picnic on Sunday afternoon.

And so I think one of the biggest challenges during COVID, I know, was mental health aboard our ships. In particular, Nimitz was out there for 341 days. We had not done a deployment like that in decades. And so one of the things I saw in a very positive way, as you know, we have resilience teams with psychologists, psychiatrists, behavioral-health technicians. We have nutritionists. We have physical therapists. They go out on board those ships on every destroyer now. A chaplain deploys on every destroyer. And we saw people coming together beyond the classes or sessions that those specialists would have every day.

There was just such a high demand for people to talk to somebody that we had not seen before in terms of people helping each other. That exists in any deployment. But I think it was just the need for that increased, because the other thing that played in here is we weren’t sure when those ships were coming home. We had a lot of extensions in that timeframe, particularly in 2020, in the last administration.

I will say, for this administration, this secretary has been very good at listening to our concerns about readiness and bringing ships home on time. So we have tried to stay seven-month portal to portal. We haven't been able to do that in every case. We're challenged right now in EUCOM to do that. But I will tell you, he is listening to us. And in more cases than not, we are bringing ships home on time.

In terms of the supply chain, one of the things I saw that was, I think, from a very positive standpoint, is this degree of cooperation between the primes and the United States Navy in terms of understanding where our vulnerabilities were in the supply chain, both for them and for us, so that they could get after that and close those as quickly as possible.

So we had people, as you can imagine, using AI capabilities to track, you know, thousands and tens of thousands of parts and having an understanding of what we had on the shelf, whether the companies that were supplying those parts were still up and running. And so there was a lot of collaboration there. I didn't see a significant drop in readiness, although I know in some areas we were challenged in some sectors, particularly in the electronic sector, to keep things – to have things on hand as readily as we needed them.

Vice Adm. Daly: And just on the appearance side, you know, the rust –

Adm. Gilday: Yeah.

Vice Adm. Daly: You know, here I don't have to tell you this, because I know it's deep inside you, but you don't have to just be ready. You have to look like you mean business.

Adm. Gilday: You do. You do.

Vice Adm. Daly: So now that it's eased off a little bit, you mentioned that. And obviously the COVID thing, it's less restrictive in terms of ports, port calls and supplies, being able to get time just to lay to and paint.

Adm. Gilday: Yeah.

Vice Adm. Daly: I'm just wondering, is that – I get that a lot; like, people say we want it to look good.

Adm. Gilday: Yeah. It's part – so to me, that's part of readiness.

Vice Adm. Daly: Right. Deterrence.

- Adm. Gilday: Yeah, it absolutely is. I mean, appearance is important. I mean, you've got to look sharp. We're the world's premier navy. We've got to look like it. This comes down to – again, part of this, you know, Get Real, Get Better campaign for people to self-assess and self-correct, for people to stand up and take action when they see stuff wrong, and not accept stuff that's broken; to do what you can to fix it. If you can't, elevate it. And the chain of command ought to be listening. They ought to be listening to your proposed solutions, besides just bringing up problems. So absolutely.
- Vice. Adm. Daly: So we're right at the end, and I just want to give you a chance, if you had something that we didn't get to, that you thought that was important or – we covered a lot.
- Adm. Gilday: Yeah.
- Vice Adm. Daly: So is there something that you think that you'd like to say that we didn't reach a point you'd like to make?
- Adm. Gilday: I don't think so. I'd be happy to take another question if you've got a minute. Or if not, we can wrap.
- Vice Adm. Daly: I'm out of questions from the – from our audience. I think we got to most of the – either in the questions that I asked or they asked, most of what we got. But I want to thank you. And, you know, if there's a message for industry maybe, it would be the one that I would say, is there an area or a level of cooperation or a behavior that you'd like to see out of your industry partners just to help you get through – we talked about a lot of hard things here – to get through that nut?
- Adm. Gilday: One of the things I believe that's improving is transparency. I think the Navy has a responsibility to give industry a set of headlines in terms of where we're going, so they're not guessing. And for them to look at efficiencies to help us get there quickly. And so not to necessarily hang onto a production line, just because they want to hang onto it and it brings money home. But we're in a critical decade, where in some areas we do need to pivot, and we do need their help. And I do find them to be a willing partner. But, again, you know, as I talked about, particularly the surface line and what you get – what that kind of predictability and civility leads you from the defense industrial base, that's what we owe them as well, so.
- Vice Adm. Daly: Well, CNO, want to thank you for giving us the time. You're a busy guy. I think it's a particularly busy time. Your personal time is precious to us. So we'd like to thank you on behalf of the Naval Institute and CSIS, and thank our sponsor, HII, for making this series possible. We truly appreciate it.
- Adm. Gilday: Thanks all of you for what you do. CSIS and the Institute and HII as well.

Vice Adm. Daly: Thank you, sir.

Adm. Gilday: Thank you.