TRANSCRIPT

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The Honorable Ray Mabus Secretary of the Navy

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Secretary Mabus: The Navy and Marine Corps are undeniably different, significantly different than they were eight years ago when I took this job, and they are also significantly stronger than they were then.

The things that I am particularly proud of, that those of you who have heard me speak have heard ad nauseam, we've reversed the decline in the size of the fleet and it's growing. The numbers -- 316 ships in 2001 down to 278 by 2008, and that was during one of the great military buildups in American history. During those seven years, 41 ships were put under contract. 41 ships would have meant, or did mean, that the fleet would continue to decline in size and it wasn't enough to keep our shipyards going.

In the same time frame I've put 86 ships under contract and done so with a good bit smaller top line, and we've dramatically driven down the cost of every type of ship. We haven't done it at the expense of air. e've bought 35 percent more aircraft and we are recapitalizing every Navy and Marine Corps air. We've also saved R&D money for weapon systems, for the future technology, future technological edge. We've dramatically changed the way the Navy uses energy and the types of energy that it uses. We've done this to be better warfighters. It gives us a combat edge. Navy ships are the most vulnerable when they're refueling.

When I came in, oil was at \$140 a barrel. We were having to decide between operations and training. I was given \$2 billion in unbudgeted price increases, fuel price increases in my first couple of years there. And maybe most importantly, we were losing a Marine killed or sounded for every 50 convoys of fuel we brought into Afghanistan.

I set some pretty big goals for the Navy and Marine Corps on energy. The biggest of which was by no later than 2020, at least half would come from non-fossil fuel sources of all the energy afloat and ashore. We got there ashore five years early, in 2015. We're

now at 60 percent alternatives for our shore bases. We're moving to micro-grids so that if something happens to the grid, which you saw hacks into a Vermont utility, we can pull ourselves off the grid and we can continue to do our vital military missions. At sea, we're at 35 percent alternatives. About half of that is nuclear; the rest is biofuels.

We demonstrated the great green fleet in 2012 and I got all sorts of criticism for the amount we paid for the test amounts of biofuel that we bought. There has been a deafening silence since we deployed the great green fleet in 2016 and paid \$1.99 a gallon for those same biofuels.

Energy can and is used as a weapon. If you want to see how, look what Russia did to Crimea or to Ukraine.

Our partnerships around the world are stronger today. I've traveled 1.35 million miles for a couple of reasons. One is to see Sailors and Marines where they are deployed. To look them in the eye, to answer their questions, to explain decisions that have been made that affect their lives very directly. But second is to work with our friends, our allies around the world. You can surge people, you can surge equipment. What you cannot surge is trust.

And finally on the Sailors and Marines, we've got the best force we've ever had. We have stressed them a great deal. We've been at war the entire time I've been Secretary. Our deployments have gotten faster and longer. And so we've tried to take a lot of actions to mitigate that. Things like 21st Century Sailor and Marine which put all programs together in one place. Good things, educational benefits, family benefits, things we have got to get rid of. Things like sexual assault, suicide. And we've aggressively attacked those.

We're also promoting now based more on merit, less on time. Every CO has got the ability to promote five percent meritoriously. If they don't use the whole five percent it goes into a pool so that other CO's can promote more.

We are improving educational opportunities, the Career and Admission Program so you can take up to three years off.

And we have a much more diverse force now. Every job open to women. The just bad law of Don't Ask/Don't Tell repealed. And it's not diversity for diversity's sake. It's diversity in thought, diversity in background, diversity in experience. A more diverse force is a stronger force. A force that is too much like itself becomes too predictable and a more predictable force is a defeatable force.

And finally, in a democracy the people doing the protecting ought to be reflective of those being protected. You cannot have too much distance between the military and civilian world in a democracy.

So I'm very proud of what we've accomplished over the past eight years, and as I said, I absolutely believe and I think it is a fact that the Navy and Marine Corps are substantially stronger than they were when I took office.

DWG: Thank you. I wanted to begin with a tough one which is that President-Elect Trump has been a harsh critic of the cost of the F-35 program, and he's raised the Super Hornet as a possible competitor going forward, to the F-35. Under what circumstances does it make sense for the Super Hornet to be an alternative to the F-35 in future purchases, and under what circumstances does it not?

Secretary Mabus: I'll look backwards for a moment. We've bought F-18s the entire time I've been there. The F-35 is really late and it's way over-budget, and the Navy was the last service that was going to get it anyway. And I'll veer into one of my pet causes.

The F-35 is an example of why -- it's called a joint program, and it's not. It's like John Kennedy said of Washington -- Northern charm, Southern sensibility. [Laughter]. You've got three different aircraft -- Navy, Marine, Air Force. There are only 40 percent common parts to those aircraft. It's not really one aircraft that can do three different jobs. The Marine version, the STOVAL version is a very different aircraft. So it is really late, it is way over budget, and there's nobody held accountable for that. If it was a service program, you go up to Congress and I'm responsible for shipbuilding programs. If they're not working, look at me, look at the CNO. Who do you look at for the F-35, for the Joint Strike Fighter?

Now having said that, the Marines have no backup. They only bought A through D F-18s, they didn't buy the Super Hornets. Their Harriers are getting very old. And so they have to have the F-35, and they, as we speak, F-35 Marines, F-35s are heading to Japan for the first deployed squadron, and they've stood up the first two squadrons now of F-35s, and so they're getting the aircraft that they need coming in.

We will always, I think the Navy should always have different generations of aircraft on carrier decks, and so the F-35 brings you some capabilities that the F-18 does not.

So for that reason, you need to have the F-35 coming in behind the F-18. They need to drive the cost down. And it is late. So until the F-35 comes in, I mean I will just go on my history. We have bought F-18s every single year to make sure that we don't have a shortfall on our carrier decks.

DWG: So is it accurate to say for the medium term then that new Super Hornet purchases could continue to fill the Navy's needs?

Secretary Mabus: That will be for the next administration to figure out, because right now the F-35 is on track. The Navy's on track for its first squadron to stand up in '19 which at least virtually the whole time I've been there has been our goal. So you will begin to see F-35s on carrier decks pretty soon.

DWG: Mr. Secretary, you had an unusual public dispute with Secretary Carter over your last Navy budget, particularly on the shipbuilding account. What was the dollar amount difference between you and the Secretary? And how did that budget [inaudible]?

Secretary Mabus: The dollar amount, and I'm talking over the FYDP here, Otto, I think was, we were ordered to cut \$16 billion and instead I added \$35. So it was close. [Laughter]. And one of the reasons that I thought this was a totally useless exercise is that this is an internal thing. As far as I know, it's never going to OMB. As far as I know, President Obama is not putting in a budget, a detailed budget. Congress hadn't even passed the '17 budget yet. I thought that was sort of a waste of time to do all the churn on the '17 budget because whoever won the presidential election was going to put their stamp on that budget. It's certainly true about the '18 budget. This is at best symbolic, and if you're going to put in a symbolic budget, then wouldn't you put in, here's what, based on COCOM demands, based on our force structure assessment, based on what we think we need, here's what we need.

And also to cut ships at a time when the demand for ships is going up, when we're building our force structure assessment up from 2012 which was 308 ships. We just put out our new one that we'd been working on for a year which says we need 355 ships to do all the jobs that we're doing. To say no, fewer ships just makes no sense to me. And it undercuts one of the central accomplishments of this administration. We have turned this shipbuilding program around. And if you miss a year building ships, then you don't ever make it up. And it will have no impact on you.

I mean we've got a fleet size today, 274 ships today. Those were based on decisions that were made 10-15 years ago. The ships that I put under contract will get us to 308 ships by 2021, and I guarantee you whoever sits here, whoever is the Secretary of the Navy in 2021, is going to take credit for that. Whoa, look what I did.

But one of the really important things in these jobs, I think, is to keep one eye on the present because you've got to be ready to fight tonight. You've got to be sure that you've got the tools necessary to do that. But in something like shipbuilding that takes so long, if you don't do it now, it will have no impact. The ships I've put under contract have had very little impact on the size of the fleet while I'm in office. But whoever is President, whoever is Secretary of the Navy 15 years from now will be in a huge problem.

The last thing I'll say is, one of the criticisms, a couple of the criticisms. One of the things that the proposed budget -- and by the way, I never got an answer to my memo. But one of the things was it says you should cut Navy ships to pay for other Navy ships. That's just a fool's errand. You should never pay for one Navy ship with another Navy ship.

And the other thing, that the Navy has focused too much on shipbuilding and not enough on the weapons that go on these ships. Not enough on capabilities, more on capacity. Which by the way, are two words I've learned since I've been in this job and what they mean in Pentagon speak. But a couple of things. We're the Navy. We've got

to have ships. But second, how are they going to get these advanced weapons there if you don't have the platforms? And we have got to be forward deployed.

And one of the points I've made is there's so much talk about readiness. We have about the same number of ships forward as we did 25 years ago when we had 130 more ships in the fleet. And because the consequences of not having enough ships, some of them are you don't meet all the COCOM demands. You have to decide which COCOM gets the ships. Our deployments were becoming much, we were double-pumping a whole lot. We weren't spending enough time in the yards in between. The ships, we were short-changing maintenance, they were breaking down and wearing out. That affects readiness. It affects readiness with our crews. And that's a direct result of not having enough platforms, not having enough ships.

DWG: Your other major achievement you can be proud of, the fuel savings, and you said you haven't heard much from Congress. I'm curious --

Secretary Mabus: I wasn't just talking about Congress. Anybody.

DWG: [You talked about] holding back [inaudible] alternative fuels. Do you think that's here to stay?

Secretary Mabus: Oh, yeah. Well, number one, the stuff on shore, we're saving money with it and it's long term contracts, and it's all private. It's all public/private partnerships. So that's pretty locked in.

But at sea, you can clearly roll this stuff back if you want to. Now it's going to be hard because it's part of the new normal. Ships don't know when they're getting biofuel now, when they're getting a mixture. And we don't solicit for biofuels, we just solicit for fuel, and biofuel producers bid on it and they have to be price competitive.

But you can clearly do it, and you can clearly roll back a lot of these energy initiatives, but if you do, you're giving up an edge. You're giving up a combat edge. And the example I use, in Singapore there's an oil refinery. It's owned by the Chinese. Right down the road is a biofuel refinery. It's owned by the Finns. I don't want to be dependent on China for fuel for the U.S. Navy in the Western Pacific. I want to have some options there.

I also want to have some competition in the liquid fuel market. That's a free market notion, right? Here ought to be competition and there ought to be choices. And we must be onto something because nine of our allies are now moving toward it. We've refueled the ships of nine different nations at RIMPAC with biofuels. The commercial sector, Jet Blue just announced a ten-year biofuel contract; FedEx, UPS, Alaska, Virgin, United. All beginning to fly on a mixture. And those companies are in business to make money.

So as a military force, you can turn it back, but it would be the equivalent, as I said at my farewell parade, it would be the equivalent of saying we're going back to sail because it's

cheaper. We're going to quit using nuclear because it takes longer, it's more expensive. And we're willing to give up an edge. You can do it, but you ought to be honest about it, that you will give up a combat edge. And if you turn back some of the things Marines are doing, you're going to put Marine lives at risk.

DWG: Sir, the [inaudible] a little bit more. One of the things that Admiral Moran said yesterday was yes, we really want and need more ships, but if you're talking about immediate, step on the gas, [inaudible] execute, we need to put that into readiness because there are so many holes in the availability, and there are more -- you can get more out of the yard, you can get more mod on the ships if we have more money for '17 and '18. That's sort of the message [inaudible] are putting to the [inaudible] team.

It makes a difficult balance between that and the shipbuilding one. So where do you come down on that balance, making the most of ships we have and getting new ships on contracts? And what are you trying to tell your incoming opposite numbers on Team Trump, if they talk to you, about what vision most [inaudible]?

Secretary Mabus: I actually don't think, and Bill Moran and I have had this conversation. I don't think that it's an either/or here. One of the readiness problems that we do have, as I said, is we just don't have enough ships.

Clearly, you need to keep up in technology. Clearly, you need to make each one of these ships as lethal as you can for the, as I said, for the fight tonight. You've got to keep one eye here. But I don't think you pay for modernization for upgrading the lethality of ships or things like that by taking hulls. Again, it's not going to have any impact on us for ten years if you do that. So you can do that. Our shipyards are executing now and the price is going down so much because they're doing it in economic quantities. They've got hotlines going. They've been able to invest in infrastructure, hire the people that they need to.

And one of the arguments that I made in the memo that Otto so famously asked me about was if you cut hulls, you won't save money. You'll just get fewer ships for less money because if you're, the Virginia Class is an example. WE bought ten, paid for nine, because we bought ten at a time, because we had a multi-year thanks to Congress. We saved over \$2 billion on that purchase.

If you cut a sub going forward and you cut a sub out of a multi-year, you'll just get one less sub. You will probably save no money. The same thing with DDG-51s, same thing with the LS.

So to say that we need more money for modernization for up-armoring, making our ships more lethal, it's absolutely true. You're not going to get it by cutting hulls. You're just not. Unless you cut a lot of hulls. Then you are really, you're not going to hurt readiness today but you will just gut the fleet ten years from now.

DWG: [Inaudible] add to the budget [inaudible]. If that marginal dollar, is it best put in the maintenance, availabilities or the ships you have today? Or best put in [inaudible] and other contracts [inaudible] for another hull.

Secretary Mabus: Number one, I think that in terms of the very close in, '19, '19 budgets, that the shipbuilding plan that we were on, if you'll stick to that then I guess in direct answer to your question, you take those marginal dollars and put it into today's readiness. But you don't -- the difference in the question you asked me at first and that one was you get some extra dollars. You don't cut back.

Now, I think that the budget that I recommended be put in for '18 by adding money -- added both to the maintenance availabilities, it also added some hulls, because the thing we were building toward, the number we were building toward is 308. That was our 2012 FSA, force structure assessment, and we're going to get there. They cannot build another ship and we will get to 308. The new force structure assessment, because of the increasing complexity of the world, because of increased aggressiveness, some of our near peer competitors, in terms of just the demand for naval vessels, says we need 355 ships. The bridge, I think that this budget has to be a bridge to begin to get there. You're not going to get there for a while because it takes so long, and it takes so long to gear up shipyards, but you've got to begin that process of telling shipyards and being transparent -- here's what we're going to build, here's the increase that we need so that they can prepare to get ready. I think that's what this budget needs to be.

DWG: [Jandra] --

DWG: Thank you, Mr. Secretary. I wanted to follow up on the F-18 question. This handshake deal between President-Elect Trump and the Boeing Company, that they're going to come up with a lower cost version of the F-35. Just based on your knowledge of overseeing these programs for a year, do you really think Boeing can do that? I mean is that something that you think any company, Boeing or any other company can actually step in at this late date and come up with a viable alternative?

Secretary Mabus: Number one, I don't know. But number two is, at this stage of the game the prices ought to be going down. Regardless of what else happens. Because now you're getting into production and one of the cardinal things that I've insisted on is that once you get into production and you don't change the plans, you don't change what you're building, the price of every one ought to be cheaper than the one before. There ought to be a learning curve. There ought to be economic benefits to having production going at full rate. So just whether there's, this may be the easiest promise anybody's ever made, it was going to happen anyway.

I don't think that handshake deal or whatever it is has any meaning because if you are moving from LRIP, Low Rate Initial Production, into full production which they're beginning to do in, certainly for the Marines, the Air Force is next, and that's bearing up, and even the Navy. We're buying additional aircraft and so the lines are pushing out more aircraft. Those prices ought to come down. They better come down. Just as a factor of that.

DWG: As far as the negotiating approach, shaming a company into doing something to lower the cost, I mean why didn't anyone do that before?

Secretary Mabus: I'm not sure it works.

I mean I've driven down the cost of every single ship type. Every single one. LCSes are costing half of what they were when I came in. We're saving \$300 million per DDG-51. The next carrier will cost \$2 billion less than this one, than before. The Virginia Class. You know, buy 10, pay for nine. We did that with pretty straight-forward stuff, and shaming wasn't part of it. It was don't design as you build. If you've got some new gee whiz technology, wait for the next ship to put it on. Don't try to force it on. So stable designs, mature technology, and give industry, here's what we're going to build. But in return, what you've got to do, industry, is you've got to make the investments in infrastructure. You've got to hire the people and train them to do it, and the unit cost ought to come down for every single ship or every single aircraft that comes out because there's got to be a learning curve, there's got to be something to get it back.

The last thing I'll say is that I think we've driven very hard bargains, but I also think they've been fair. My father owned a hardware store in Akron, Mississippi. He was maybe the cheapest human being that's ever lived. He thought it was a real compliment to be called cheap. I am his son. [Laughter].

DWG: This year's been a deadly one for Hornet pilots. Has it gotten to the point where Naval and Marine Corps aviators should be flying the air frame anymore? Is the Hornet at a breaking point? Even with extending the flight hours and all of that.

Secondly, on carriers, much was made last week of that this is the first time there have been no carriers deployed anywhere in the world. Does it send the wrong signal to China to not have a carrier constant presence in the South China Sea given their [inaudible]?

Secretary Mabus: In terms of aircraft, we don't put people up in unsafe aircraft. If they're not safe, they don't fly. And we have flown the wings off of every one of our types of aircraft, not just Hornets. We're going through service life extension. That's one of the reasons the Marines have so many out of reporting. Because when you open them up and you're going from 6500 hours to 10,000 hours you find there are surprises. The main reason that we're behind in doing that, bringing them through the depots to do it, is because we had sequestration, we had a hiring freeze, and we had a government shutdown. We simply didn't have the people to do it.

So we will get the Marines back by 2019 in terms of their A through D Hornets. We're going to begin inducting the Super Hornets, the E's, F's, in 2021 for their service live extension. And we're using the lessons we've learned, so we're going to have the kits available, we're going to have the numbers of people available. Artisans to do that.

So flying a Hornet off a carrier or anywhere is an inherently dangerous business. We don't put people up in aircraft that we think are even marginal.

On the carrier, in June of this past year we had six carriers at sea, which also I think sends a pretty strong message. It's one of the things, though, about this deferred maintenance. We have just been cheating on our maintenance. And we've finally got this thing, the Optimized Fleet Response Plan which if I ever find out who gives the names of these things -- [Laughter]. There's a better way to say that. But if you were trying to get the carriers on a much more certain schedule -- when you're going to be in maintenance, when you're going to be in workup, when you're going to be in certification, when you're going to deploy, when you'll be the surge force. To do that is requiring some rewickering. You're going to have a gap like you do today. I don't think it sends a message, because we're not only, we've got three carriers right now and the Ford's about to deliver. But the Kennedy and the Enterprise are under construction. So we're going to have the 11 carriers far into the future, and our force structure assessment says we'd like to have a couple more. So I think the message is we're going to be there.

And it's not just the carriers. Big deck amphibs, particularly now with the 35s coming off the deck. You'll notice what we put off the coast of other places, like Libya. We put big deck amphibs there instead of carriers. But they're also very capable and very lethal if they have to be.

DWG: My question is about the F/A-XX program, the next generation fighter. Can you talk to us about how far along it is? Whether it's a direct replacement for the Super Hornet. And what the Navy wants from it in comparison to say the F-35. What does the Navy want it to do that the F-35 can't do? And is there a good reason not to make it a joint program in the way that the F-35 has been?

Secretary Mabus: I'll answer those in reverse order. There's a great reason not to make it a joint program.

Joint programs tend to be far more expensive, far behind schedule, and you have nobody to hold accountable. I do think the NDAA that tries to put more down at the service level so that you can, you've got a Secretary there, you've got a service chief. They're responsible. You can yell at me until the cows come home on the F-35. I've got no authority over that, neither does the CNO, neither does the Commandant.

The first part of your question, the F/A-XX is pretty early in the process now, and like I said, you always want two generations of aircraft. The F-35 is coming in. It's going to be in the fleet for decades. And so the F/A-XX is at the earliest late 2020s or early 2030s aircraft. I have said and I believe that the F-35 ought to be the last manned strike fighter that we buy. So I think from my standpoint, and I won't be around to influence this, but that ought to be one of the requirements.

DWG: I wanted to ask you to update us on the Sea Hunter program, to the extent you are comfortable doing that. The main contract for building this [inaudible] the operational trials last month I think. So how is that going? How long those trials will

take? And do you think switching to unmanned system is a way for the future for the U.S. Navy?

Secretary Mabus: Number one, I think we've made public everything we're going to make public about the Sea Hunter in terms of trials and what's happening there.

But the second part of your question is, we're the only service that has unmanned systems beneath the sea, on the sea, and above the sea, so we're in all three domains and it is the future. It's the future in every domain. It's the future not exclusively, but certainly as a part of the fleet in terms of surface ships. In the air, both in terms of much smaller drones, which there was a little video that came out yesterday I think of the very small drones that are pretty autonomous and active together, to larger strike fighters, attack aircraft that comes off. Under the sea, the same thing.

I stood up a Deputy Assistant Secretary for Unmanned in '99, a position on the Navy staff just to work on unmanned because I do think that's going to be such a large part of the Navy's future.

DWG: How far away do you think is that in the future, going to completely unmanned system? Are we talking about decades, centuries? [Laughter]. Realistically speaking.

Secretary Mabus: I have to tell you, at my age neither one of those have any meaning for me. [Laughter].

DWG: I didn't mean it like that.

Secretary Mabus: I mean we're already there on a lot of them. Unmanned underwater, mine hunting systems, we're way down the track on those. And we're at various stages of development in all domains.

So in some ways -- not some ways. We're there on some systems and we're actively working on a lot of others, so it's a very close-in thing.

DWG: Why is it that female Army officers can pass Ranger School, but can't seem to pass the Infantry Officers Course?

Secretary Mabus: There's a snarky answer here. They're different trainings. They're just different. And the, well, I'll say one thing about that, then I'll say one quick thing about the bigger question.

One of the things about IOC is that it involves just carrying a huge amount of stuff, and if you are in the Infantry in the United States Marines, you're going to break down. We've got a Chairman of the Joint Chiefs that's got plates in his ankles. We've got a Commandant that's had hip replacements. You're just going to break down. It's a very weight-intensive sort of thing. I think that's the biggest difference.

But in the bigger question, the important thing is that it's open for anybody who qualifies. The important question is not who makes it through, it's just do you have a chance to make it through.

DWG: Are those standards realistic?

Secretary Mabus: The standards that the Marines have set, and for certain occupations this wasn't true before -- there weren't any standards before. But now the standards that they've set have to be job-related, they have to have something to do with -- not something to do. They have to be aligned with what a person will have to do in the field. So I'm pretty confident that they are realistic.

DWG: A theme that I perceive has emerged kind of in the latter part of your tenure, and feel free to recharacterize it if you wish to do so, is a push toward gender neutrality. Of course there were the reviews on the Marine Corps and Navy side regarding title. There's also a push for a more gender neutral uniform. I think at one point you said when a Sailor's walking toward you, you don't immediately want to be able to tell if they're a man or woman. They're a Sailor.

I guess my question is two parts. First of all, was there an event or an encounter that really helped make this a priority for you? Sort of a catalyst? And secondly for the Navy and the Marine Corps as well, what still needs to happen to get to where you'd like to see the services as far as a gender neutral standard?

Secretary Mabus: Number one, on uniforms, if we ask another group to wear a different uniform, can you imagine the trouble we'd be in? And women's uniforms were done in World War II, mainly, because they were part of the auxiliary, and they were done to differentiate them from active duty Sailors and Marines, to make sure that you didn't mistake them for real Sailors, real Marines.

But there was one bit that sort of drove the point home, and it was the first Army/Navy game. The Army cadets marched out and they all had on exactly the same uniform. You couldn't tell male/female anything else. The Navy midshipmen marched out and you could. They had different covers on. Again, that's a way of segregating women. In my view that's a way of saying you're not quite a full-fledged United States Sailor or United States Marine.

There are differences in cut, there are differences in some uniforms. Just because of physiology. But they're well along the path, both services. They both have a common cover now. In boot camp, they're being given cracker jacks, both male and female. Two other things. One is one of the reasons it takes so long, which was a surprise to me, is there's just not many people who make uniforms. They have to be made in America. They tend to be smaller companies. They can't do two types. So once you switch you don't get the other ones at all. We're actually saving money because a common cover is cheaper than two different covers. And again, it's not to make women look like men or to somehow take away gender. But it is to point out that the word uniform means the

same. Means uniform. And that you are, if you are wearing that uniform you have met those standards and you're ready to go.

In terms of titles and stuff like that, Marines have fully made the change. Navy is in the process of doing it. And we save some iconic titles, and we change titles in both all the time. I'll give you two quick examples. I know we're on the speed round. Corpsmen came in after World War II. The first name for Corpsmen was Lob Lolly Boys. We don't want to go back to that. Second, when I was in, the people who reported to me in my divisions were Radiomen and Signalmen. We haven't had those for years.

DWG: The poster child in Ash Carter's complaints was the LCS and I'm just wondering as you head out the door whether you have any regrets or second thoughts about the way the LCS program proceeded and where it is now.

Secondly, if you could quickly address the problems you've had with the landing gear on the carrier.

Secretary Mabus: You mean the [inaudible] arresting gear?

DWG: Yeah.

Secretary Mabus: On LCS, I'm very proud of that program. That is a great ship and we need a lot of them. We clearly need at least 52 of those. And I went back and looked at every new ship type the Navy has built back into the '60s, and every single time there were all sorts of reports by GAO, by, when CBO came into effect, by the media, that these are terrible ships. This won't work. In fact the frigates that are one of the ships that LCS Is replacing, one report said if a Sailor serves on a frigate, they should get submarine pay because these things are going to sink. [Laughter].

So it happens with every new program. Without fail. Without exception. The DDG-51 took an amazing amount of heat. When I came in the LPD-17 was then the poster child for a bad ship. We're building more of those now, and they're a terrific ship.

You always, with first ships of the class, you're always going to have issues because they're a very complicated piece of equipment, and when you send them out you're going to learn things. Things are going to break.

When we sent LCS-1 to Singapore, very early, much earlier than we've normally sent ships on deployment, it got a lot of attention for mechanical problems, for engineering issues. One of the things that never came out was that it was ready for service at a higher percentage than the rest of the 7th Fleet. Navy ships need maintenance. Navy ships break. They have to get fixed.

The LCS, and we've done what we've done with every other class of ship. The DDG is a good example. We're about to start building the fourth type of DDG-51. The fourth different variation. The ones we're building today are very different from DDG-51, from the Arleigh Burke. The LCSes that are coming, we spent a year looking at every other

design that was out there, and we're going to make them much more lethal, we're going to up-armor them to make them more survivable. Although the best way to survive is not to get hit. And the LCS, because of its speed, has a built-in advantage there.

But it is on a normal course for this.

The last thing I'll say is the fleet loves them. They can't get enough of them. And that's the proof. And this concept that surface Navy is talking about that is my next stop today, distributed lethality, the LCS plays a crucial role in that and it makes an adversary's targeting job far more complicated.

The AAG, basically the same thing. It's a longer answer. New technology got pushed onto the Ford much faster than it should have been. That was a decision made by Secretary of Defense Rumsfeld in 2002, to put all this new technology on instead of to put it on three different successive carriers. It was all unproven. AAG is one of those. So was the EMALS catapult. So was the electrical system. On and on and on and on for the Ford.

But AAG now is, the testing is going well. It's going to be ready for the Ford to go into the fleet and to deploy. It will be effective. It took a long time because it was brand new technology and shouldn't have all been put on that first ship.

DWG: Regarding the force structure assessments, my understanding is it's looking at ships, not aircraft. But have you looked at whether you need additional aircraft to outfit those extra ships [inaudible] the extra carrier?

And would it be helpful to reach the 355 ships to have an extra shipyard, either new or maybe out of mothballed, if that's the term, to get sooner to 355? Not that you have a new delivery date, but --

Secretary Mabus: On the first question, clearly you'll need aircraft to man those ships, but if you get two extra carriers, that's a long way in the future. One of the things is you can dial up aircraft in a much shorter period of time than you can ships.

Force structure assessment is, as you said, solely on ships. We do a similar assessment for aircraft but it's for the ships in the fleet that you're going to need and the replacement aircraft and the training and that sort of thing.

New shipyard. I'm a big fan of competition, so the more competition you have the better off we are. But we don't build our own ships. That's a private sector thing. They would have to be convinced that it's a profitable enterprise. I haven't seen a lot of people lining up to do that.

So yes, it would be nice to have more shipyards. It would, just for the competition aspect. I'm not sure how realistic that is.

DWG: [Inaudible]?

Secretary Mabus: No, it will be soon, but I know a specific date has not been given.

DWG: You know and have worked with very closely presumably the incoming Secretary of Defense. I'm wondering how you, if you have any opinions or views on the concerns that some lawmakers have raised about civilian control of the military and some of the time gaps that were built into the system as they relate to General Mattis.

Then secondly, under the incoming administration, what do you think the prospects are for a lot of the reforms that you've put in? Specifically around integrating women into submarines, into combat roles, those type of things?

Secretary Mabus: Number one, I have worked closely with Jim Mattis over almost the whole time I was there, and I have an enormous amount of respect for him. I do have concerns over -- I think that civilian control of the military is one of the bedrocks of our democracy and that there was a reason that was put in. It was lowered from 10 years to 7 years fairly recently. The only person that's ever gotten a waiver is George Marshal and it was made very clear by Congress when that happened that it should not happen very often.

So I think they're right to raise that. Again, saying nothing about Jim Mattis because I do have enormous respect for him and I think he was a great Marine and a great general officer and a great COCOM when he was there.

You make the decisions at the time that you feel are right and will strengthen the Navy and Marine Corps. We have a better force because we are more diverse. Women on submarines is a good example. I've got to say, that's one of the biggest nothing's. I mean there's been no push-back, no hew and cry, no nothing. Women have very successfully gone on board, very successfully earned their Dolphins. Have been tremendously successful in the, I made that decision in '10, in the 6.5 years since that decision was made.

Of course you can roll it back. You can roll anything back. But if you do, you will make us weaker. If you do, you are saying that simply because what you look like or your gender or who you love or the color of your skin, even though you qualify to do the job, even though you've met every qualification, we're going to keep you from doing it. That's not America. That's not who we are. And how can you deny somebody the honor of defending this country when they meet the standards? You're not lowering the standards. You're not doing it just to be diverse. You're doing it to be better.

So if you want to go backwards. If you want to make us a weaker force, do it. But the people around this table are the people that are going to have to hold them accountable if they do. You will be weaker. You will be a weaker force if you do that, because we are a stronger force because we are doing it.

And I'll finish with a story, and it's not about women. I was in Mana, Kyrgyzstan at our base there where everybody then going into Afghanistan or coming out passed through.

I did an All-Hands Call with about 800 Sailors and Marines. Afterwards, and it was a few months after Don't Ask/Don't Tell had been repealed and the repeal had gone into effect. A First Class Petty Officer Corpsman came up to me. He had just finished his third combat deployment with the Marines. Three combat deployments. He came up and he thanked me for pushing for the repeal of Don't Ask/Don't Tell. And he said he was gay and that he had been scared to death his entire time in the Navy that he was going to be found out and forced to leave.

Now here's a guy that had just done three combat deployments, risked his life time after time to go to Marines' aid, and yet his biggest fear was that he was going to be kicked out of the military for who he was. For who he loved. Now how wrong is that? And how bad is that for our service? If we didn't have him, we would have been a weaker service.

So yes, they can roll it back. You can always roll things back. But you will make us weaker. You will make us a less effective fighting force if you do. If that's your aim, then go ahead, but that is what will happen.

DWG: I wish we had more time. I do thank you for your thoughts and your candor today.

DWG: Another LCS question. You've [left] the commercial to the ship and there's a lot of issues. I sent you this letter from Gilmore to the Hill yesterday, and he raises the question, it's unclear when and if the LCS will provide the United States objective warfighting capability. To date, despite LCS having been in service since 2008, so it's not that new, the Navy has not yet demonstrated effective capability for the LCS [inaudible] these various mission packages.

What is your reaction to that?

Secretary Mabus: My reaction is that I've been there almost eight years, and I'm pretty sure that Michael Gilmore has never found a weapon system that's effective. Ever.

DWG: That's not his job.

Secretary Mabus: No, no, no. Has ever found anything that he's tested to be effective. Anything. Have you all ever seen -- I mean it's not a story if it works, and if you're a tester and you say something works and in the future it doesn't, it's like a lawyer, the answer is no. You can't do it. That's the safe thing to do. And also, you don't get the press if you say things are going to work.

Testing proves that testing works. That's all it proves. And I know what this ship can do. I know what the fleet thinks of it. And the example I'll give, which is not a ship example. This same tester, DOT&E, Michael Gilmore, said about the P-8, after it was in the fleet, the fleet was raving about it. After it was being bought by countries around the world because it is the finest maritime patrol aircraft anywhere. It doesn't work. It doesn't do what you said it will do.

The final thing I'll say is, test what we want it to do, not what you think it ought to do, which is one of the things he does.

DWG: I don't understand.

Secretary Mabus: We have requirements for ships and aircraft. Here's what we want it to do. Testers tend to say here's what I think it should do, not what the Navy thinks it should do. It's what I think it should do.

I have, I'll put it in the positive. I remain convinced that the LCS is a great ship and that we need a lot of them.

DWG: Thanks.

DWG: What's next for you?

Secretary Mabus: I have three children, all still in school. I've got to go to work.

[Laughter].

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