

TRANSCRIPT

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THIS IS A RUSH TRANSCRIPT AND MAY CONTAIN ERRORS. USERS ARE ADVISED TO CONSULT THEIR OWN TAPES OR NOTES OF THE SESSION IF ABSOLUTE VERIFICATION OF WORDING IS NEEDED.

Q: The Admiral and I were talking downstairs and it developed that he's the point man for writing the Navy's new Maritime Strategy. I had to tell him that the last Maritime Strategy that was written in the early '80s was more or less unveiled in stages at this group. First by John Lehman, then by Tom Hayward, the CNO, then by Jim Watkins who was the CNO after Hayward. So I'm very interested to hear about this new Maritime Strategy and what it seeks to do, where it's going, what the issues are. So take some time here and talk to us about it.

A: Thank you, Bob. I really do appreciate the opportunity to join you this morning.

Bob was saying downstairs that I guess it was Admiral Tom Hayward who was here in 1979 when he began to work on the Navy's last Maritime Strategy. So the Maritime Strategy that our CNO has challenged us to rethink is about a quarter century old. I think it served us well. Perhaps its greatest contribution, maybe even to mankind, is that I think it contributed to help averting a catastrophic global conflict in the Cold War.

I think you would all agree that the challenges that we face today are different. That the dangers that we face today are different and it's from that realization that our CNO Admiral Mike Mullen has challenged the Navy to rethink the Maritime Strategy that Admiral Hayward started out to do as I said over a quarter century ago.

I think our challenge today is far more complex. I think there's a far more complex set of causes and effects that affect the world order today. It's across that broad spectrum that I think the United States Navy needs to contribute to America's Joint Arsenal.

I think we need to range from the hard end of that spectrum to the soft end of that spectrum and with a host of activities in the middle. Let me give you a specific example of that wide spectrum.

The Navy today is prepared to fight in major combat operations and we do that because the consequences of those operations could be so significant for not only our nation but for the stability and security of the world. We also are conducting irregular fourth generation warfare in places like Afghanistan and Iraq. We're contributing to that the best we can. Finally, we're conducting humanitarian and disaster relief missions around the world.

Just four days ago the United States Naval ship Mercy returned to San Diego after about 156 days deployed to Indonesia and the Southeast Asian island chains. It was a pretty remarkable mission representing what our soft power is in the United States Navy. I think she saw and she had doctors from not only the United States but NGOs were on board as well. Doctors and medical personnel and dentists from other countries were on board. They saw over 214,000 patients. 214,000 patients in about a six month period, a little less than six months.

Think about this for a second. They issued over 16,000 pairs of glasses. That's pretty remarkable that there are 16,000 more people in that region who can see now.

It really represents from once again the spectrum of the complex set of causes and effects we're trying to achieve in today's Maritime Strategy. So that's why I think Admiral Mullen has issued this challenge. It really is a challenge for us, the United States Navy, to deal with our new normal. It is a very complex set of new normalities.

The way we're going about creating this new Maritime Strategy is we're committed to an analytical competition of ideas. We've done something very intentionally and that is we did not start with the answer. There is no file in my desk that has the right answer. We're having this open and inclusive competition of ideas that has no fences. We're going to conduct the debate first and then make some decisions after that.

As we're gathering for breakfast today there's a Strategic Foundation's Wargame going on at the War College. We're using our Navy academic institutions, I should say naval academic institutions, serve as the core of our analysis and gaming efforts.

We're going to conduct this in four phases. We're just about to complete the first phase. There's no hard deadline for every phase. We need to complete the event before we move on. But we really wanted to assess the strategic environment that we're operating in.

The next phase which will start just about now. We're just about to complete the first phase, but the next phase will be once we assess the strategic environment and the complexities that I talked about we're going to enter a phase of developing alternative futures. There may not be one set path, but we're going to look at alternative futures. We're going to look at strengths and

weaknesses of each of those futures.

From there we will enter the third phase of the creation of the new Maritime Strategy and that is we will begin to wargame the strategy. We'll begin to play good ideas against each other and see what survives that analysis. And then finally, we'll assess that analysis and then begin to write the report.

I'm pleased with the progress to date. I think we're on schedule. The CNO essentially challenged us to complete this in a year and that year will come due next June. Right now we're tracking nicely along those lines.

In addition to those four phases we're going to do something else unique. We're going to have a conversation with the country. We think it's very, very important to go out and speak to America. We want to listen and learn from America. We don't want to just go and talk to naval specialists. We want to broaden the conversation. We're starting that in November.

I'm also pleased to announce that a renowned strategist in his own right has joined our team, Mr. Peter Schwartz the noted author of *The Art of the Long View* and cofounder of the Global Business Network. Peter has agreed to join us to facilitate this conversation with the country and he will act as a special advisor to the CNO.

I'll just wrap up this rather lengthy answer to your question Bob, by saying I think every institution, organization must evolve and that's what this effort is about, how does the Navy evolve to cope with that new normal. We hope this project will help elevate the discussion of sea power in America.

Q: Okay. Fair enough.

As I remember in '77, '78 Hayward started down the road toward Maritime Strategy with something called Sea Strike in the Pacific. It was because he was worried about the growth of the Soviet fleet, lots of new Soviet warships, fewer and older American warships. How do you deal with that? And so he devised the strategy to take the war to the Soviet Navy near its home waters. This was kind of the genesis of the Maritime Strategy. But it was a very clear problem he was dealing with. What is the very clear problem that the Navy wants to deal with?

A: The very clear problem we deal with is the complexity. So it is not a binary problem that we're facing. It is this complex set of cause and effects that we're dealing with. It is this wide spectrum of response that we have to be able to provide. That's what's different about the Maritime Strategy that we're embarked upon.

Q: Can you do that?

A: Time will tell.

Q: How can you focus on complexity?

A: Well, I think we have to focus on complexity. I think just the pace of globalization these days, globalization's been going on for a long time, but the pace has accelerated over time. I think there are hosts of interdependencies now that we need to be able to assess and respond to. What role do navies play in this new world order? How will sea power influence history? I think those are some of the questions that Admiral Hayward was dealing with.

The CNO, Admiral Mullen, issued this challenge back in June. One of the first things I did was get on an airplane and I went to see Admiral Tom Hayward. I said, "You faced this before. How can I learn from your wisdom?" So he's been very helpful.

Q: So far on what you've seen, does this bode well for certain parts of the Navy and bode ill for others? Like I would imagine that because of the complexity and the uncertainty air power might rise in the Navy's estimation in terms of its strategy and maybe other parts of it would fall?

A: I think it's too early to make those judgments. I think if we're off to a good start and I think we are, we should not presuppose an outcome. We've not looked at it in terms of one program, one capability. We really want to begin to understand through this analytical competition of ideas of what are the ways and the means that we're going to need to help achieve America's aspirations, help achieve the US Navy's contribution towards Joint Arsenal. So we're really going at this with a very open mind.

Q: You're not being tugged in one direction already?

A: No. As I said, I think it's been very refreshing that we've done this with an unbridled and unrestricted ability to look around the world and look at sort of security contributions in a holistic manner.

Q: At the same time the CNO called for the new strategy, he contemplated something called the Global Naval Station. When we talked later he didn't have a perfectly good definition for it but it was to be some way that the Navy could have its presence of the small flexible forces. Have you had a chance to flesh that out or have any better idea of what these Global Naval Stations would constitute?

A: Otto, we call it a Global Fleet Station and it is an innovative operational concept that we're just studying now. So we've not completed the concept.

Let me tell you what I think Global Fleet Stations are about. If there's a place in the world where you don't have a base either for political reasons or access reasons, whatever the case may be,

one of the things that you could do that we're finding is that naval ships can be pretty adaptable. In a Global Fleet Station what we're looking at is how can you use a Navy ship perhaps with a modular design where we can adapt that package very quickly and use it sort of as a hub of activity where a whole host of adaptable force packages might just be employed. It might cut across that spectrum of capabilities that I talked about.

I would venture to say that the United States naval ship Mercy was a Global Fleet Station. Here she used a wide array of capabilities--government, nongovernmental activities--to see those 214,000 patients.

I would say you could see more specific examples of a Global Fleet Station that got bigger, bigger, and bigger in what the USS Abraham Lincoln did off Banda Aceh. I think you can see what those types of ships and the global Fleet Station did for Katrina. You remember New Orleans and the President flying down and staying on board Iowa Jima.

So it's the ability to bring an existing capability into an area, adapt it very quickly, tailor the capabilities that you bring to that package to the needs that are hand. And then how can you let that act as sort of a hub or support station for a lot of activities. That's what Global Fleet Station is to me.

Q: You describe the utmost of humanitarian efforts. But is there a potential combat operational capability for these stations?

A: Otto, I think there are maritime security operations that can be conducted from a Global Fleet Station.

Another good example is protecting the oil infrastructure. We're doing that today off the coast of Iraq. We're using a sense of a Global Fleet Station to help provide maritime security.

Certainly I don't think there's a role for Global Fleet Station in a major combat operation as you can well imagine. But there are a whole host of applications for Global Fleet Stations in the complex environment that I've talked about.

Q: I've got two questions. I don't know which one to throw at you. Let's try this one. Gulf of Guinea. Talk about a little bit about the challenges there are for naval power. It seems to me that that's a tremendously unstable part of the world because you know there's a lot of oil that's coming out of there. We will be increasingly dependent on it, it's like sweet crude, so it's good for us. There's pirates, bandits, terrorists, thugs. It's a great part of the world.

Talk a little bit about how naval power is appropriate there especially because even though I think the Navy recognizes that's an important part of the world, the fleet's so small you can't afford to have a continuing presence there. How do you deal with that?

A: Dave, it's a great question. The goal of the United States Navy and others in that particular region of the Gulf of Guinea is really to promote security and stability. We also want to build partnerships.

We believe that 70 percent of the world is covered by the oceans. The oceans can never become ungovernable by the threats that you describe--piracy, oil smuggling, human trafficking, drug trafficking. And so we think naval forces are uniquely suited to promote stability and security and we do that through partnerships. A good example of that is the Thousand Ship Navy. Perhaps you've heard us talk about that.

There is no one nation that can do it all. So in the Gulf of Guinea what we're trying to do, it's certainly a location that we consider the role that a Global Fleet Station could provide their services and support to.

We think we're trying to advance the economic development of the region. We think that's terribly important.

I've recently read a fabulous book that I commend to you. It's called *The Moral Consequences of Economic Growth* written by Benjamin Freedman, an economist up at Harvard.

What we're finding is that economic growth follows stability and if you can set those stable conditions, if you can help prevent all that illegal, illicit activity that you talked about, that's going to be important to us.

Q: And that's a role that the Navy is preeminent in or a major role for the Navy?

A: That's certainly a role the Navy can contribute to.

Q: Talk about the Thousand Ship Navy, a couple of issues I'm curious about. One is just simply interoperability, being able to work with everybody around the world. Number two, being able to convince everybody that they should work with the United States. Right now a lot of countries don't have the best opinion of the United States let alone our armed forces. How do you go out and convince these countries that it's to their benefit to join this Thousand Ship Navy?

A: Jeff, I've given it a great deal of thought. The Thousand Ship Navy came about as a concept about two years ago. It was an article I coauthored with Rear Admiral Charlie Martollio.

I guess to answer your question directly, I would pose a question, and the question that I would pose is, it's a very human question, what's in it for me? As we've asked that question as I've traveled around the world, surprisingly we've gotten very positive responses. When you ask why you'd want to be part of this Thousand Ship Navy, recognizing it's not an American Navy,

people, countries, companies, groups, can all answer that question there is something in it for me. That something is stability, security, building a foundation for economic growth. And that's why people have been willing to participate in this. It's also a recognition that this is not a Navy with an American flag over it.

No one nation can do this. In fact, perhaps, what's going to be its most, the validation of its existence is the fact that it does not depend upon any one country. The response I'm seeing around the world has been very positive.

Q: What about the issue of interoperability? You're going to have a lot of countries that come in with a lot of different equipment and a lot of different systems. I realize it might be kind of early to look at that, but that is going to be a significant issue.

A: It is and I think that the larger context of that issue is this. It's about technology and alliances and how do those two things come together.

What we're seeing is on the technology side, for just the Thousand Ship Navy, we think there are very simple, very affordable solutions. They're unclassified solutions.

What one of the core aspects of the Thousand Ship Navy is is a free sharing of information. You can see it in the airways of the world today. If you were to get on an international airliner today, if you flew from New York to Singapore, you'd go toward the North Pole, you'd pass over Russia, you'd pass over China, and you'd pass near North Korea. Everybody would be sharing that information because it's all unclassified. Those aren't military information networks. They're civilian information networks.

So we already have a model in existence globally that works. You would reasonably expect the altitude of that airplane that you're on is known. It's shared widely.

We're sort of looking at, boy could we use that kind of approach to technology and that type of approach to alliances to work for security on the sea.

Q: I want to ask about to what extent the Maritime Strategy would have any influence on the ship building plan? Admiral Mullen seemed very dead set that was the plan and that's where we're going. So now that you have this open-ended strategy, what does that mean for you?

A: Well perhaps, Sandra, it would help if I define in my mind and it may be interpreted by others differently, but in my mind let me tell you what strategy means. Strategy is one of a four part structure.

In the first part is a vision statement, and you've seen Navy vision statements from Forward From the Sea, Sea Power 21. That's a vision statement that really sort of sets our aspirations or

ends.

Strategy is really the second part of that four part structure that really is about the ways and means to achieve those ends, sort of logical.

The third part of that four part structure are tactics. How do you operate? How do you employ your forces?

The fourth part is the resources themselves. So the Navy ship building plan is really that fourth part of a four part structure.

We think that the Maritime Strategy will look at the complexity of the world and see how we can employ our ways and means.

So I can understand why Admiral Mullen sees the resources side as only one side of a four part structure.

Q: So the ship building plan essentially is not going to change?

A: I know the ship building plan is one of Admiral Mullen's biggest challenges and he's devoted a great deal of time. He's used a force-sizing construct or analytical based approach to determine that number. I think the number 313 ships has been well received in many places.

I think Admiral Mullen has identified the central challenge in the ship building program and that's affordability. We in the Navy have to control our requirements, our taste for expanding those requirements. And I think he's dedicated to do that.

Q: Just to clarify what resources area, in your conversations that you're having outside the Navy, outside the traditional Navy experts, are you trying to get a sense for how much money is going to be available for the Navy? Are you trying to get that information up front?

A: No. What we're really trying to do, and we haven't had the first conversation with the country to occur. I believe it's on the 13th or 14th of November. It will be up in the Newport area. We're trying to do something pretty simple. We're trying to listen to America. We're trying to learn from America. So we're not out to do anything other than that.

Q: Admiral, I'd like to take you to a much narrower topic. There have been some new rumblings about North Korea conducting nuclear tests. I'm wondering what you're seeing and hearing on that. And also, what is the Navy's role in monitoring operations for a test, an actual test?

A: Bob, I looked at the news this morning and I saw the report of a potential nuclear test in North Korea. We believe North Korea's nuclear activities and their ballistic missile activity

poses a danger both to the region and to the world.

We have a number of capabilities that we can bring to bear to monitor that activity, and we do that. Once again I think that this particular example, this narrow example that you cite, really does once again lend to the very complex and broad spectrum of which we need to operate in the security environment.

Q: From what you are seeing, does it look like they are preparing for one? Do you have any evidence to that effect?

A: I have not seen the intelligence reports. Like I said, the only thing that I saw this morning was the press report. I couldn't share those intelligence reports with you, but it's something we're very concerned about. We think there needs to be a diplomatic solution to this. We think the international community is working hard to achieve that.

So as we take this holistic approach to the developing of the Naval Maritime Strategy, or the Maritime Strategy I should say, is we look across the full range of power and influence that we can bring to bear across, we call it the DIME--Diplomatic, Information, Military, and Economic. So there's I think in North Korea, there's a holistic approach that's needed.

Q: A couple of questions actually. Could you talk a little bit more about what you expect to get out of this conversation with America? I'm having a hard time imagining what people would say that would be of any news. And--

Q: Let's let him answer that one first.

A: Well Pam, it's interesting. You know 90 percent of the world's commerce flows by the sea. It's a pretty extraordinary number. On any given day we think there are about 15 million containers either in transit sea, on railroad cars, waiting at a dock, waiting to offload those goods. So I think what we may discover in this conversation with the country is that many Americans will begin to realize how important maritime security is. If 90 percent of the world's commerce flows across the seas, who's protecting that?

What we're finding Pam, is we're finding that commerce craves security. We're beginning to look at aspects as if we can help provide along with a whole host of others, United States Coast Guard, that Thousand Ship Navy that really constitutes not just Navies but Coast Guards, shipping lines, and even freight lines. If we can demonstrate that by maintaining a secure maritime environment, that we perhaps could accelerate the velocity of commerce, add to an efficiency of commerce. We think every American will benefit by that. We think the global community will benefit by that. And I think that's the broader conversation we need to have.

Q: It sounds like a lobbying effort.

A: I don't think it's a lobbying effort at all. I think quite honestly, our biggest challenge will be to listen and learn. I think we can contribute to the discussion, contribute to the conversation. But this is really about an honest dialogue of what role sea power will play in our time in history.

Q: My other question is a different topic entirely. We're given to understand that were there to be hostilities with Iran, it would be largely a Navy/Air Force thing to manage because obviously the Army and Marine Corps are busy. Could you tell us what state you guys are in with operational plans, one of the [inaudible] of the Pentagon is we're constantly updating our plans. Would you discuss for us what that process looks like and if you guys have stepped up or what you're doing?

A: We never discuss our contingency planning. Of course, planning continues across that entire spectrum as I said. It would not be responsible of me to discuss the specifics of those plans.

Q: Can you give us an assessment of the Iranian naval force and shore-based naval weapons and forces? Is it something that concerns the Navy a great deal, a little bit? How much?

A: Bob we watch what's going on in that region very closely. We study the Iranian naval activity. I have served in that region and I just talked with one of our admirals that works in that region now. The Iranian naval activity that we've seen has been very, very professional. There are professional exchanges between the US Navy. We talk to each other. We want to avoid any miscalculation. We want to avoid any form of accident. They are a professional force.

We look at trends as you can imagine. We try to determine if trends are shifting in one direction or another. Our naval posture in the region has not changed recently.

Q: Has theirs? Are they mining?

A: Their activity is normal. We're very encouraged that there are a whole host of nations represented in the region. They're contributing to that general maritime security. And that's the current state of play.

Q: My question about this is [inaudible] for a few months. I was trying to find an articulation of the threat that you're trying to [inaudible]. With Sea Strike and Admiral Hayward he had a very specific threat, the Soviet Union, the Soviet Navy. In this case it seems there's a lot more to be considering and dealing with. But I thought perhaps if you could share some specific examples, such as what you're going to be wargaming against after you complete this phase, that could be helpful to just understand what you're trying to deal with.

A: Sure. The range of complexity, Steve, that I see is, I certainly worry about the proliferation of ballistic missiles. I worry about the proliferation of weapons of mass destruction. I certainly worry about terrorist activity. I would really worry a lot if those three things combined.

Certainly there are other nations around the world that are building sizable navies, that are updating their navies. So those are the spectrum of the hard conflict that we might see.

But that's not the complete answer. I think we have to look at how can the Navy adapt and tailor some of it's capabilities to fight in an irregular warfare context, fourth generation warfare if you will.

But also I think we have to continue to look at what contribution we can make to stability, security, and economic growth, and how we do that with our soft power. That's sort of the range of challenges that include threats, dangers, but also opportunities that we're looking at.

Q: Are there any specific wargames that you're looking at that would be building up scenarios of these kinds of threats, either soft or hard, and address them?

A: We've got a committee, and I may ask you, Brian, to help me outline what wargaming groups we have, but right now, Steve, we're just completing that phase of assessing the strategic environment. We're beginning to look. And that is what the wargame is about today, about the Strategic Foundations Wargame that's going on. To say alright what are those futures, how many futures do we need to take a look at. And I don't think we have determined the specific types of wargames that we want to enter into in the third phase.

Brian is there anything else you want to add?

Brian McGraff: Where we are--

Q: Could you identify yourself?

A: I'm Brian McGraff the Director of the Special Actions Group for [inaudible].

The level we're playing at right now is more of a grand strategy, looking at how various approaches to sea power flowing from grand strategy might play against these alternative futures. Threats range from nation states, potential threats range from nation states to transnational actors. We have a Green Team we're particularly interested in. That is lot of global pandemic could be a potential wild poker game of sorts. It's really at a much higher level than what you might think is classical wargaming.

Q: Okay. Is that enough, Steve?

Q: Yes.

Q: You said basically you're starting a kind of a [inaudible] paper, this whole idea of going in

and deciding what your strategies could be long term and everything like that. But I'm just wondering how you're going to line that up with for example, QDR and the very capability, what they call [inaudible] phase. And also there are a lot of things depending what you're going to decide from here, not the least to mention the [inaudible] program, JSF program. So how much of a blank sheet do you have? How much are you going to basically say, we've got commitments over here, we've got a QDR that's going to say we're looking at certain capabilities? You mentioned that ballistic missiles so capability is a great [inaudible], that kind of thing. So I was wondering if you could kind of merge those two.

A: Yeah, Mike. I think we have a fresh start, but with a blank sheet of paper is probably not completely accurate.

The timing of the challenge that the CNO issued really was geared to waiting for the QDR to come out. You know we've had a recent revision to the National Security Strategy. We've seen other strategic documents come out, and we're mindful to all of that. So we thought we had to wait for the QDR before we could begin this.

But we did some work preparatory to this leading up to the QDR. Perhaps you heard about our work on the 3-1 construct where we began to argue that there may be other key missions that we may have to embrace as a naval force beyond just major combat operations.

The QDR was delivered I believe in February of this year, and shortly after that the CNO issued the Navy's strategic plan which wanted to take the findings of the QDR and to begin to inform the Navy's budget.

Now, just recently back in July we issued the Navy operational concept where that really is beginning to describe how we operate, and now we're embarking upon the Maritime Strategy. So we're being informed by a host of national level set of guidance and we think we can coalesce that work into what makes sense for the maritime demand.

Q: So I mean your commitment to things like the JSF are going to continue as they have been or-

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A: Once again we think that the Maritime Strategies, that part two of that four part structure, so where the resources are a part of that overall structure. The Maritime Strategy is going to really describe the ways and means to achieve our national ends. So the resources are part of that.

Q: Also getting back to some things mentioned in QDR, are there certain capabilities that no matter what you know you're going to need you're going to need more? For example, a certain kind of radar development you're going to need or anything along those lines, or ISR, or things in that nature?

A: Well, it's interesting. I was in a discussion yesterday with the President of the War College and it reminded me of my visit when I went out to see Admiral Hayward.

Admiral Hayward, when he started his work on his Maritime Strategy, brought 17 precepts. He said these are my 17 beliefs that I think will be important. We're coalescing with our CNOs and four star naval component commanders what their precepts and beliefs are.

So we think there are things, that there are elements of the application of sea power that endure over time. And we clearly want a secure maritime environment globally. We clearly want access to regions and access to markets. Those types of things will I think endure and emerge in this strategy, but once again we've not predetermined that outcome. But there are some timeless elements of sea power, and our question is how is sea power going to influence our history in our moment.

Q: Can you talk about how the Iranian Navy's capabilities have advancing since the tanker wars?

A: I'm sorry Jeff. How the Iranian capabilities

Q: Have advanced since the tanker wars.

A: We've certainly seen the Iranian Navy add three kilo submarines to their fleet. We watch their operational patterns. We try to learn from the exercises that we observe as any Navy would since the tanker wars that they've added new technologies and new procedures. And we begin to try to assess those and understand what their strengths and weaknesses are.

Q: Can you talk about some of those things?

A: I can't talk about them in an unclassified way. I think you're well aware of or can be made aware of of the Iranian Naval order of Battle. I've given you an example of the three kilo submarines that we think is a significant addition to their maritime capabilities.

Q: Do you foresee the Coast Guard playing a bigger role in guarding Iraqi oil terminals to free up the Navy to do other things?

A: I see the Coast Guard as being a great partner from the example that you just gave to a whole host of activities around the world. We have a very close relationship with the Coast Guard senior leadership. And we saw what marvelous work Admiral Allen did when he was down in New Orleans. So once again they're going to be a major contributor across that complex spectrum that I mentioned earlier.

Q: As the Navy looks at some new missions and requirements but doesn't necessarily add sailors to the force, how do you see life changing for the individual sailor as this strategy develops and

you focus and wrestle with complexity?

A: Well Andrew, I'm just amazed at what young sailors and marines and airmen and Coast Guard men and women are doing around the world. I for one believe that they're going to help change the world.

As we look at this complex set of missions, it's remarkable to me how those young sailors are beginning to adapt, and how in our quest of listen and learn that we learn so much from them. Just think of the number of sailors that were involved in seeing those 214,000 patients. Just look what our young sailors are doing in Iraq and Afghanistan today. They really are beginning to adapt the way they make a contribution.

All those young sailors, I think, they've chosen a life of consequence. And our job is to help them bring that life of consequence to fruition. I'm more encouraged today than I ever have been in my 34 years of service seeing such bright minds that have elected to join the service.

So I think as we adapt to new missions, operate across this complex spectrum. And part of your question was how do we do that with fewer people. That sort of gets back to my core issue of technology and alliances. We can't do it all alone in the US Navy. And so I think that's why we're turning to concepts like the Thousand Ship Navy. I think because the ocean covers so much of the world, 70 percent of it, we've got to look to technology and find the right balance so we let those great sailors continue to flourish.

Q: I was wondering if you could talk about surveillance and reconnaissance. You talked a lot about different ships and different abilities to go places and do things, but what's the Navy's plan for being able to find things and keep an eye on things? You know particularly since some of these programs, particularly from a programmatic standpoint, some of the things are getting cut, getting canceled, or not working out.

A: Sure Rebecca. You know in this Thousand Ship Navy concept it sort of also recognizes there's a technology component to it. And what can we do at an unclassified way? Let me give you an example. Mersk International Shipping Line, I think the largest shipping company in the world, they actually have a thousand ships. They actually have by international standards, open standards, this automatic identification system. That automatic identification system is sort of analogous to that identification friend and foe system on United Airlines or Singapore Airlines. When the exchange of information through this automatic identification system is shared with everybody, you begin to broaden your ability to understand what's going on in the sea.

Here's the key part about surveillance and reconnaissance particularly over the oceans. It used to be a mindset, and I think there's a significant major mind shift going on right now. It was the mindset that you could go to sea and hide, that you could cloak your untoward behavior at sea. What we're suggesting now is by building networks using technology and also using other

surveillance assets, but we want to introduce transparency at sea that yields security. We don't want you to be able to cloak your untoward or illicit behavior at sea.

And so getting back to the core of your question is how can we do that? We can't do it alone in the US Navy. That's why we think both technology and alliances are going to be very important to us.

Q: But what about some of the more military applications like the Aero [inaudible] program which the Navy was going [inaudible], some of these other [inaudible] replacements and [inaudible] programs? Where do they fit in?

A: Rebecca I'm not the program expert, so I can't answer. I'm not the best qualified officer to answer your specific questions on those programs.

Q: Do you have a place in your strategy for those types of airborne assets and the information they would bring?

A: In the Maritime Strategy we're going to have to talk about the ways and means to achieve the mission that we're given to meet our national goals. So certainly there will be a role for surveillance and reconnaissance. But we're not going to start with a single program in mind.

Q: Sir, you've outlined a very deliberative process that's going to be time consuming. We understand that. At some point decisions will be made that you'll want to change the capital investment you've got out there. In doing that [inaudible]. Have you done a notional set of deadlines when the fruits of this process begin feeding into the program inside of the House in concrete ways?

A: Pat, we do. It really started earlier this year. It really started with QDR. After the QDR what we did for the first time in a long time was issue this Navy Strategic Plan. And what that Navy Strategic Plan did was it gave guidance at the front end of the budget development. We actually said, the CNO actually wrote and said, this is what's important to me. As you begin to build the POM '08 budget you need to do that.

So what we're trying to get to, Pat, is this. Is that NSP, Navy Strategic Plan, was issued in I think April of this year. We didn't finish our budget deliberations until about August of this year when the services finished, and then it goes to OSD. And so it's not all buttoned down in August, but that's when we submit it. So we wanted this first piece of strategic guidance to be there. But then what we see is the Maritime Strategy should appear next June or July if we stay on schedule. Then I think what you'll see from there is an issuance of the next Navy Strategic Plan that comports with the Maritime Strategy.

We're not going to be able to lock this down. But we want to get into that cycle, that virtuous

circle, that you describe that strategy is beginning to inform the budget. I personally contend that every budget is a strategy, and we're going to try to lend some strategic thinking to them. That's what this is about.

Q: Do you think as early as the '09 POM, the '09 submit, we should expect to see some concrete impact of your process on the dollar side of the house?

A: I think we're going to want to refresh our strategic thinking before we begin to build our budget. I think that's important. I think this dynamic pace of change is so fast these days we're going to have to step back and say does this make sense in this holistic geostrategic sense and then inform the budget. That's what we're shooting for.

Q: Admiral, I see in your bio that you commanded the Enterprise Battle Group in the Indian Ocean during Operation Enduring Freedom.

A: Yes, sir.

Q: So you have first hand experience with using naval aircraft in very long range strike.

A: We did.

Q: The QDR also talked a bit about long range strike in the Navy and specifically with reference to the UCAV. The QDR almost seemed to be inviting the Navy to move very strongly into the long range strike mission which of course has always been an Air Force mission. So as you are doing you strategic thinking and ruminating on these issues do you see a major new thrust for the Navy on the long range strike missions, specifically unmanned aircraft?

A: Well Bob, one of the things that I've been very interested to watch in the Navy is how we can adapt. And to give you a specific example on your question is look how we just adapted the Trident Submarine. Here was a submarine designed just to deliver ballistic missiles. We've taken four of those submarines and we've repackaged it. We've adapted it quickly, relatively quickly in terms of being able to engineer our new approach, and we turned it into a SSGN.

So I think you're going to see Navy systems continue to evolve and adapt that way so we can take on a greater role in long range strike using unmanned aircraft in the form of cruise missiles. It's that sort of fascinating adaptation I think where we've added that capability to those Trident Submarines plus a special operations capability. And it really just is how we're trying to keep up with the pace of change in the world.

Q: Specifically the big deck aircraft carriers, do you ever foresee a day when instead of throwing a bag of airplanes on there you might have a large number of UCAVs?

A: Bob, we've already seen that day. I participated in the first strike into Afghanistan after 9/11 and we brought Kitty Hawk forward and we said leave your airplanes. What we did is we put a group of Special Forces with a whole host of different special weapons on board them. So the adaptability of the aircraft carrier is there. That's the kind of creative and innovative thinking that we need to foster not only in our officer corps but across our entire Navy.

So we've already done what you've suggested. Can we do better in the future? Sure we can. Are there going to be new applications? Is there going to be new science to deal with? Of course. It's keeping alive in the Navy in our culture that we can think on our feet, that we can adapt to the circumstances that confront us, that we can rise to our challenges that I think will be the key.

Q: Admiral when you talk about the spectrum of capabilities from hard and soft, as you go towards the soft end, the mechanisms or the tools become less and less pure Navy and more and more involving what we know call in this weird [inaudible], the inner agency, which seems to me like an adjective in search of a noun. But in any case, my question is as you put together this strategy, and as you look for ways to carry out this strategy, how do you add in those other tools of national power? In other words, do you have an agriculture guy on your strategy staff?

A: I don't have an agriculture guy on my immediate staff, but I just had a veterinary doctor on my staff, not to take care of dogs and cats. But he was an expert in Avian Flu. So I think Navy preventive medicine is doing a great deal along those lines. But that could easily bleed over into an agriculture representative. I would welcome that.

Q: I just picked that as an example.

A: Right, but it's a good example. I think we're being pretty creative in the way we're reaching out because I think the next big thing is just what you suggest. How do you solve this not only in the inner agency of the US government, but how do you reach beyond that? How do you create opportunities where non-governmental organizations can bring their assets and talents to bear? And that's why I'm fascinated by what the USS Mercy has just done. Here you can have NGOs, Doctors Without Borders, and all kinds of people coming together because they share common interests. They understand that if we can really create an environment of stability and security that economic growth can follow. And then as Freedman would argue, then you have that very virtuous circle of creating moral consequences out of that. So I would welcome those kinds of contributions and would look for them all the time.

Q: Admiral you talked about two of your concerns or concerns were proliferation of missiles and new technology. North Korea may have both. We know they have missiles. The Navy has moved at least one Aegis cruiser into Japan and [inaudible] with a limited ABM capability. How does that fit into your immediate plans and the long range strategy?

A: Well Otto I think it shows once again how we can adapt our force posture, how we allocate

and apportion and locate our naval forces that we flex with the potential dangers. So we're shifting some of those types of forces in the Pacific because of the situation that you described. I think that's going to be the challenge for us is for us to remain a very fluid organization that we can adapt quickly. Our ability to aggregate, disaggregate, to conduct distributed operations forward is going to be the hallmark of this near term Navy that's about to evolve. So we think we need to be there. We need to be there with the right capability at the right time. And forward presence to us is going to be very, very important.

Q: How do you assess that operational capability for APM [inaudible] at this time? Do you consider [inaudible] or do you consider it still evolving?

A: I think our capability is evolving. We've gone through a series of very rigorous tests. Those tests have been very successful lately. And I'm very confident in our capabilities to contribute.

Q: Could you talk a little bit more about hospital ships? You seem to be very impressed with their capabilities? Do you have more in the plans [inaudible] fleet now? And what are the strategic benefits of those ships?

A: Well Pam, we've assessed the role the hospital ships have played over the last couple of years, the contribution one they made in Banda Aceh, this recent deployment for Mercy. We'll step back now and sort of assess whether there have been sort of geostrategic, geopolitical contributions they've made. But it's clear to us that wherever we can advance the cause of stability and security, we'll do that.

We're considering plans for how to use Mercy in the future. Perhaps there's a role for a hospital ship or something like that. In the Gulf of Guinea was one of the questions earlier. Is there something to be done in South America? Perhaps there is. We will also listen for if there is a need. If somebody expresses that need, then we'll try to respond to that.

Pam, one of the things we always have to do is sort of keep a strategic reserve in place in the event of a humanitarian disaster, either a typhoon, hurricane, earthquake, or any type of disaster like that. So we have to have some flexibility to respond in something we can't foresee.

Q: One of the things that I would think that as you go forward you really have to keep some kind of reserve, use it [inaudible] for display, would be electronic warfare because right now with the Air Force pulled back you guys are pretty much doing all the electronic warfare out there in many cases.

Also, I was wondering if you could explain how you might be able to use that in a more benign way. Some people suggest you can use it off of your relaying radio messages or taking other peoples radar messages and places like Darfur and disrupting kind of messages that way that were used by terrorists to do operations.

A: Electronic warfare, information warfare, those types of capabilities that reside in those mission areas have a broad application.

Mike, you raise an interesting question about how we can use them in sort of a more benign way. That's the type of innovative thinking that we're looking for, that we're very receptive to. Our willingness to adapt in those ways will be even more important to us in the future.

I have this notion that this very, very fluid organization really in this complex time is really going to be a more stable organization over time. So we're always looking for fresh new ideas of how we can bring our capabilities to bear.

Q: Any particular things that you can share? I imagine you've looked at this a little bit. Any kinds of ways [inaudible] looking, using the spectrum?

A: I think one of the areas that we're really looking at is we're really looking at how we can better use unclassified, less sophisticated systems. And that really comes back to the Thousand Ship Navy. We think if you can go on to "www.something" and share that information and that people benefit by the sharing of that information, that it's going to be very helpful.

It comes back to that notion of the shift in mindset that we do not want the sea to be used to cloak bad behavior. How we can share information in a simple, unclassified, broad way we think it's going to contribute to greater maritime stability.

Q: We've got one more quick one down here we want to squeeze in. Ronti.

Q: Could you talk a little bit about [inaudible] Global Fleet Stations and how that concept [inaudible] tested?

A: We actually ran a wargame a few months ago. Wargame is probably a bad description, but we looked at different applications of where we could put a Global Fleet Station, what needs could be met, who could participate, and who would be willing to participate.

So once again I think what we've done is we've said let's take an analytical approach to this. Let's do it by sort of opening our minds to what the possibilities could be. All with the eye toward what affect would it achieve, what difference would it make, and where could we make a contribution that would be worthwhile.

So we're looking at different areas in the world where we think a Global Fleet Station might be useful. But we'll reach out and we'll ask other countries or entities whether they share that view and if they have a better idea. It's a pretty flexible notion right now. We have not exercised it quite yet in a deliberative way. But once again I would say that we didn't go into the 156 day

deployment with Mercy as the notion of well that's a Global Fleet Station, but then sometimes you can look back and say we'll that's exactly what it was. As we assess the benefits of that, we'll try to apply those lessons to the future.

Q: Can you share some of the regions of the world that might [inaudible]?

A: Sure. The regions of the world we think are, the Gulf of Guinea might be very useful. We think parts of South America could be useful. We think Southeast Asia is a potential candidate. We would look to see what alliances we would want to utilize there. So those are the specific places that we're looking at.

Q: Okay. We're out of time. We'll have to leave it there.