

Center for Strategic and International Studies

TRANSCRIPT

Event

“Readying the Navy’s Platforms: More Players on the Field - A Conversation with the Vice Chief of Naval Operations”

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FEATURING

Admiral James W. Kilby

Vice Chief of Naval Operations,

U.S. Navy

Rear Admiral Raymond A. Spicer, USN (Ret.)

Chief Executive Officer and Publisher,

U.S. Naval Institute

CSIS EXPERTS

Seth G. Jones

President, Defense and Security Department; Harold Brown Chair,

CSIS

Transcript By

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Seth G. Jones: Welcome, everyone. Good afternoon. My name is Seth Jones. I'm the present of the Defense and Security Department at the Center for Strategic and International Studies. And on behalf of CSIS and the U.S. Naval Institute, it's my pleasure to welcome you to this next event of the Maritime Security Dialogue.

This series is made possible through the generous support of our longtime and outstanding partner, HII. This is the next series of events in the Maritime Security Dialogue. This past year – and these are all on the website available to watch – we've had the chief of naval operations, Admiral Franchetti; Admiral Grady, the vice chairman of the Joint Chiefs; we've had Congressman Mike Walz and Senator – the next national security advisor for President Trump – and also Senator Kelly talking about the maritime industrial base; among a range of others.

Today, we're delighted to have Admiral Kilby, who assumed the duties of vice chief of naval operations on January 5th, 2024. He's had a range of at-sea, shore, and flag assignments which I don't need to go into detail; we have it all on the website. Naval Academy grad and native of Pound Ridge, New York, which is not far from where I grew up just across the border in Connecticut. I don't want to ask whether you're a Yankees fan or not, but as a Red Sox fan that is a beautiful area.

I'm going to turn this over to Admiral Ray Spicer, the chief executive officer and publisher of the U.S. Naval Institute. Thanks again to HII for supporting this. Ray, over to you.

Rear Admiral Raymond A. Spicer (Ret.): All right. Well, thank you, Seth, and thanks for the great partnership between the Naval Institute and CSIS. We really appreciate it. And we fully appreciate the sponsorship of HII, so great to see you guys here supporting.

I know there are a ton of people that are online, and I know I'm going to get a ton of questions, so I'm going to do my best to kind of shorten the part where you and I are chatting and open it up, because I know you want to engage the audience, Admiral. And the way the questions come in, just as a reminder, is if you're online just do it through the website, and you can also do it through the barcode if you're here local. But I'm just looking at this iPad and I'm ready getting questions, so.

Admiral James W. Kilby: I'm seeing that.

Rear Adm. Spicer: We're going – (laughter) – we're going to run out of time.

Adm. Kilby: In fact, one notable, Admiral Daly, like – (laughter) –

Rear Adm. Spicer: We may use his question, we may –

Adm. Kilby: Cringe.

Rear Adm. Spicer: I don't know. (Laughter.)

Anyway, Admiral, thank you for making the time for us. We really appreciate it. I know you wanted to stay in the building and, you know, take some more PowerPoint briefs, but coming here means a lot to us. So thanks for doing it.

Adm. Kilby: Absolutely.

Rear Adm. Spicer: Everybody knows what the vice chief's job is. He's the number two in the Navy. He's the big XO, if you will. I think Admiral Kilby will tell you he calls it something else, and maybe he'll share that with us. But the responsibilities that you have in that job, vast. I mean, you're touching every part of the Navy. But can you talk, in the year that you've been there, what you've primarily been focused on?

Adm. Kilby: Yeah. I've got three priorities. And if we follow where I think the conversation is, we'll come back to all those.

But briefly, they are readiness of ships, aircraft, and submarines, first and foremost.

And then following that is quality of service, and there's a number of reasons for that. But I brought some of that from my last job as deputy, Fleet Forces Command.

And then, lastly, trying to change the culture of the Navy to be better problem solvers, to use a consistent learning engine when we attack things so we don't have to relearn lessons the hard way.

Those are my three off the cuff, all in support of CNO and the NAVPLAN, which I think is a wonderful document for us.

Rear Adm. Spicer: Can you – can you go a little deeper on that last one, trying to change the culture and make –

Adm. Kilby: Yeah. Sure. Well, if we get into some readiness questions, I think I'll tease this out. But maybe I'll just jump in at the beginning.

In 2018, Secretary Mattis gave us a mandate – this is all services – to get to 80 percent up fighter aircraft, and the Navy was able to do it. And no small credit to Bullet Miller in the front row here. But it was a whole ecosystem, and it really required us to kind of abandon our enterprise behavior, we’re going to have an enterprise approach to this. And we realized we needed to have a single accountable officer, and that single accountable officer was Bullet Miller for the first instantiation.

We learned a lot of lessons. And the machine had suboptimized for success, in their view. So I’m the naval supply commander, and I’ll just use that as an example, and my shipping is all happening. I’m hitting my targets. I’m green. It’s not me; I’m green. Well, it is you because you’re not focused on the output, which is what we need to focus on. The United States Navy, you know, cavitated a 55 percent aircraft available for decades, a decade and a half. And in implementation of this framework, we were able to get to 80 percent. And since then, the naval aviation enterprise has maintained it day to day, and every Friday I get a report from the air boss that says where they are for every type model series. And it’s either green or red, and if it’s red it explains what they’re doing about it. That’s the unflinching problem-solving approach learning engine that I’m talking about.

Rear Adm.
Spicer:

Good.

So we’re going to get to the NAVPLAN. I know you want to talk a little bit about CNO’s Navigation Plan. She rolled it out in September. She was kind enough to come here to CSIS and talk about the plan and what’s in it. If you missed that, I would go back and watch the video –

Adm. Kilby:

I brought a copy with me – (laughter) – to share with all of you.

Rear Adm.
Spicer:

But essentially, if I were to summarize it, it’s largely about getting more players on the field with the budget that you have while also thinking about the future Navy. And then what’s driving it, you know, it’s got an – it’s got an end date of 2027, and I’ll let you talk about why it’s 2027. But how would you describe the NAVPLAN? And then, how does it differ from other Navy strategy documents?

Adm. Kilby:

Well, first and foremost, she wasn’t the originator of the original NAVPLAN; that was Admiral Gilday. And he did it because I observed him coming in after being joint for a long time, came in to be the CNO, and I think – you know, I don’t know that – I haven’t road-tested this analogy with him, but I’ll road-test it with you. The Pentagon, particularly the Navy staff, is like a supertanker. It may be a hundred times bigger than the biggest supertanker that exists today. It’s on course and speed and it wants to stay that way.

So Admiral Gilday saw the intransience that was happening. It wasn't people being evil. But he saw some things we needed to get after and he created a document to try to focus and provide clarity to the staff. That was the original and my interpretation of that original intent being there when he released it.

And then we'll talk a little bit about that, but Admiral Franchetti has adopted that. She did not abandon that and come up with a new rubric. She did apply a bell to that supertanker. She wants to accelerate the journey that we're on, the speed at which we're getting to where we need to be.

So I like that model. The staff doesn't cavitate because it's a new thing. They understand what it is. We're executing that. But she's applied some very specific things – and we talked about those seven goals – with a date, with a single accountable officer to be responsible for each one of those goals.

And in the back of that plan, if you haven't read it, are those seven targets. And just off the top of my head, they are 80 percent combat surge-ready ships, aircraft, and submarine. That's number one. I'm the single accountable officer for her to deliver that.

The second one is advancing robotic and autonomous systems in the Navy. That's not new. Admiral Gilday started it but she wants to increase the bell and she wants to do it by 2027 and then she wants a vision for a hybrid fleet into the future.

So it's not like we're all going to sail off the edge of the Earth in 2027 and stop doing things, but she wants to get to a certain point in 2027 and then set us up to keep delivering and iterating and building on that.

The third one is fight from the MOC, right? So are our fleet maritime operation centers designed, equipped, trained with humans and equipment to do that, to employ a fleet that is going to operate in a contested environment where we may not have complete clarity and control based on the adversary. So we need to double down on that and she has a specific goal to be certified in the Pacific by 2027 and ready to go.

Retain and recruit talent. You know, we had a really challenging year that we kind of flipped and delivered on. All the services are. We have a nation that is less propense to serve and so hitting those targets is – requires some clarity and focus to do that and the retention of those folks is important as well.

The quality of service – we talked about that. Barracks, wi-fi, pay on time, parking, the ability to have a good quality of life and quality of service and quality of work. All those are in that mix, right, and I'm the accountable officer for that as well.

The next one is warfighter competency. So our ability to train our aircraft, ships, and submarines at sea wherever we want to go and not have to retreat because we want to divulge tactics to anybody. That's an investment and the Navy leads that. We have a force generation engine that certifies a strike group and an ESG when we deploy, and we've made a lot of investments in there but we want to continue those investments and keep them moving forward.

And then the last one is the foundational critical infrastructure. So they're aligned with the America's warfighting Navy. She's broadened that. She's applied specificity. She's taken the nav plan – the nav plan implementation framework, which I hope we get at a little bit, added seven targets with accountable officers and she's rearranging her schedule to make sure that we are doing what she says.

As an example, yesterday we had a surface P2P meeting. Her staff had other designs for her. Slicked her schedule, plops in the middle of the meeting. Where are we at in the movie here? How's it going? Show me your work. Tell me what you're doing.

So, to me, that's an example of how she intends to prioritize her time and other folks' time to get after these seven targets. So to me, that's different and it's different to have a date. So that's important.

I mean, the world is increasingly more complex as everyone in this room knows. From the Red Sea to the Eastern Med to the Black Sea to the South China Sea to the East China Sea, all that is increasing in action and import by many, many different countries.

So she sees this as a Claxton call to get hot and she's not shy about it.

Rear Adm. Spicer: Yeah. Great. You mentioned that you're the accountable officer – the single accountable officer for two of the seven.

Adm. Kilby: That's right.

Rear Adm. Spicer: So I want to try to deep dive into your two, if you wouldn't mind.

Adm. Kilby: Well, I can give you the others if you want, but they're important. And

you know, Jimmy Pitts is the 9 for remote autonomous – remote autonomous systems. Rick Cheeseman is the – you know, in charge of the recruiting and talent. K.T. Thomas, N2N6, is responsible for the fight from the MOC. And, let's see, what else did I miss? Jeff Jablon is critical infrastructure; you know, that makes sense. And Jimmy Pitts is also the warfighter competency live virtual constructive investment. So we all – we all have our name on the roster here.

Rear Adm. Spicer: As a former 3-5B – and I see another former 3-5 in the audience; I wonder how they escaped being the stuckee, but I think – I applaud them.

Adm. Kilby: Don't worry. Plenty for them to do. (Laughter.)

Rear Adm. Spicer: So let's talk about the ready platforms.

Adm. Kilby: Sure.

Rear Adm. Spicer: The goal there is 80 percent combat surge readiness.

Adm. Kilby: Right.

Rear Adm. Spicer: So two questions, really. The first question is what constitutes combat surge ready.

Adm. Kilby: Right.

Rear Adm. Spicer: And then it's a pretty aggressive goal, 80 percent.

Adm. Kilby: Yeah.

Rear Adm. Spicer: How are we going to get there?

Adm. Kilby: Well, let's start out with the first question, right, and the idea behind combat surge ready is we have a machine called optimized fleet response plan that creates and certifies strike groups and ESGs to deploy and individual deployers too, and it is a pretty robust system and we're super proud of what we do.

There is an ability, as we saw with Ukraine, to forward – flow ships forward that haven't completely gone through that cycle that are manned, trained, and equipped to do those mission sets. So it is really a

formalization of that process to understand where our ships are at any given time and what they need to be ready to go.

If I remember back to fleet forces for that Ukraine crisis we needed six ships so we did pretty quick math on who's who in the zoo, where are they in the, you know, manning perspective, what munitions do we have at Yorktown, what is the state of their material condition, and which ones can we flow in what priority order.

To me, this is an instantiation of that, that we know at all times the condition of our ships and the ability to flow them forward to make sure they're ready and trained and equipped to do that.

Strike Group IV certified them for those missionaries through a process that was something less than what we're used to but still sufficient to make sure they were ready to go. So ensuring that those aircraft and those ships and those submarines are ready is my definition of combat surge ready.

It is different for the surface community than the submarine community than the aviation community, but that's the desire. More players on the field, right? Fifty-five percent available F-18s. Eighty percent F-18s. That is a bigger Navy by definition, because I can use those assets to do something where I couldn't use them before. So that's the idea here, right?

Now, when she produced that goal there was a lot of pushback. Like, I was getting calls. Hey, Vice Chief, how about 73 percent? No, it's 80 percent, and I'm going to go back to the example I cited.

When that – and I don't know how Secretary Mattis with his – you know, with his prescience picked 80 percent but he did. If you took every single process that existed in the United States Navy to produce a ready aircraft and maximize the output you would not get to 80 percent. So the machine is flawed.

You have to do something different to have a different output. And in the case of this stretch goal, in the meeting I was in yesterday – I won't divulge the percentage we're at in the surface fleet now, but it's not 80 (percent). And the machine is doing exactly what the aviation enterprise did; they're optimizing within those individual processes.

But at some point you're going to have to break it open and change something. And if I remember, Bullet, you changed really two things to kind of make a step function increase in output and now they're going after it incessantly looking for leverage in the aviation enterprise, and

that's the mentality we're talking about.

So I believe with every fiber of my being that you must have a stretch goal that is uncomfortable to push the enterprise in a manner that they're going to produce differently.

Rear Adm.
Spicer:

Great. If we're talking about readiness that – something that seems to always come up is maintenance periods, especially today, you know, when we're running their ships pretty hard with all the, you know, what's going on in the Red Sea primarily and Eastern Mediterranean.

We extended groups. And generally, as it goes, the longer that you spend at sea, the more maintenance that's going to be required on the back end. So how has that impacted the whole dynamic? And you know –

Adm. Kilby:

Well, as you watch Admiral McLane, who's the SWOBOSS, deal with this – and Admiral Downey, who is his supporting cast member as NAVSEA – how can we get after this differently? So there is an element of do your plan early enough to order your long-lead material and have it available. We call that A-120. You got to fund A-120, which means we got to fund that process to get it moving and not have it be a photo finish, because that always ends up poorly. So thing one: Get the planning done, keep the avail tight, plan realistically not optimistically.

So I'll give you an example of optimistic planning. Hey, we really don't want to have to do our intakes and uptakes on this DDG; how about we just do an assessment and we hope that it's not – it's all good? Ugh, it's not good. Now we have growth work, right, and we have to buy the long-lead material that we didn't buy when we should have bought it, so that injects delay. So let's just do that upfront and get over that journey, right, and make sure we're focusing on time. Because that is what matters here, time, as much as the cost of the availability, because I'm going to spend more time – I'm going to spend more money if I don't do it correctly, right?

Rear Adm.
Spicer:

Right.

Adm. Kilby:

So what Admiral McLane has found, both in SURFLANT and SURFPAC, now SURFOR, is if he can shorten the avail and keep that package tight and do it more frequently, he can have more available ships for the combat surge ready thing and get the maintenance done on time. I think he's, like, nine for 10 for DDGs and ISRA availability right now, getting it out on time. So shorten the avail. And sometimes that won't work with modernization packages because that's a driver. Like, things like CANES take 110 days. So we probably have to play with that duration. But let's

keep it tight so we just don't expand to the right like a gas in an – in an available space because we can. So we have to pressurize that.

And there's a lot more to that, right? Materials on time, focus on the worker, project manager as the center of the universe, with the CO's – the CO, those are all things we're pressurizing from the leadership level to get change. So duration matters.

Jim Downey would tell you if he was here: Six months. Six months, optimistic that I can get my submarine on time. More than six months, starts to degrade because of growth work and all of the things that come from that. So there is an element there about do we have the maintenance plans right, and we're looking at all of that.

But it is this hunt for leverage. I'm looking for value where the system, I didn't – I didn't care before. Yeah.

Rear Adm.
Spicer: Yeah. Yeah, makes sense.

Any impact of drydock availability on maintenance avails? Because sometimes you hear about that, but is that impacting today the maintenance avails?

Adm. Kilby: Yeah. The problem today is not number of drydocks; it's getting my ships out of drydocks on time, now. But if I can get to the goal that the CNO set, then I'm going to have to start thinking and acting a little differently with drydocks, especially if I get to that 80 percent for submarines. And I have to grow the Navy. So there is a capacity thing that we have to deal with. But right now, thing one, get them out on time. Get them in on time, get them out on time. So we're OK now, but we're looking at those things. And of course, the Shipyard Infrastructure Optimization Program is designed to help us here, and be more efficient, and buy back some of those delays through the way we orient the yard and, of course, the way the drydocks are built and fashioned.

Rear Adm.
Spicer: Let's talk about the other thing for which you're the single accountable officer, which is quality of service.

Adm. Kilby: Yeah.

Rear Adm.
Spicer: Can you talk a little bit about what quality of service means? And then what sorts of things have you been doing to ensure that we're improving quality?

Adm. Kilby: So the mathematicians in the room will want an equation, and I probably didn't give it succinctly, but quality of service equals quality of

work plus quality of life. So there's elements there.

A lot of times we've treated things like a good – nice to have when they should be treated like an entitlement. Let's take wi-fi, right? We require sailors to do a lot of stuff on the internet, and we take away their internet when we put them in a shipyard. So we should put a wi-fi on the barge where they live and work so they can do their professional requirements and be ready to go, and we're making a concerted effort to do that. So that's thing one, don't make life hard. Don't make hard life harder, right?

The second thing, which we just tragically found out with the suicides on the George Washington, was: What are we requiring our sailors to do? How far do they have to walk? Where do they have to park? Where do they have to live? And so we focused at Newport News initially, like, let's get that right. We're building a thing called the CROW – Carrier Overhaul Work Center – 80,000 square feet on the base at HII next to that overhaul, where we're going to be doing our overhauls forever, to make it easier on sailors. Let's build a facility out in town where sailors can live and walk to work, and they have medical and gym facilities that are adequate there. Let's work on healthy food options in the shipyard where I don't have to eat cheese doodles for the rest of my life and walk two miles to get them, you know? Those are all things that are important for that sailor to focus on their job, and we should treat them like world-class athletes because they are.

So we haven't done a great job of this historically, but I'm focused on it now. So when I go on a trip, I go say take me to your worst barracks. You know, every single base. And I'm just trying to get a mind map of what our sailors have to live in.

A couple weeks ago I went to Hawaii. We've got 600 barracks rooms that are un-air-conditioned. It's hot in Hawaii. And I saw a sailor while I was there, and he saw me, and he tried to run away. And I said, hey, stop, come here. Come here. (Laughter.) What's it like to live in your – this barracks? And he just looked at me and said: It's hot. I have to leave my door open to get a cross breeze to sleep at night. That's on site. So we've got an obligation that we need to make good on to take care of our sailors, and so it's just going to require some focus and prioritization to get after that. It took us a long time to get here; it's going to take us a long time to get back. But let's get after it and then start moving the needle there.

And I'm optimistic that if sailors see something different they'll be, like, hey, something different is happening here. You know, sailor pay, let's liquidate your travel claim in a reasonable amount of time, not four

months while you're living out of your credit card when you should be living out of your bank account. So we've done a lot of work there, too.

I mean, there was one point, I'm embarrassed to tell you, less than a year ago where it was probably taking us four months to liquidate a travel claim because we had outsourced all our personnel men to this magical place on base where we're going to have an IT system that we didn't deliver that was going to make this all awesome, and it wasn't. And we took a hardcore leadership back to, you know, the third part you told me about – thinking, acting, and operating differently in a framework of problem solving – where Stu Satterwhite started to look at the data, measure it every day, and he's burnt it down to three days. That's the average time it takes to liquidate a travel claim now. That's what we should be doing. We probably shouldn't pat ourselves on the back for that, but we need to watch the ball there and not let it drift off-target again.

So that's an element of this, just living up to our obligation to our workforce to make sure they feel valued. And then they can focus on their job.

Rear Adm.
Spicer:

Yeah.

Somewhat related, the Navy just achieved their goal for recruiting. Can you talk about how you did that?

Adm. Kilby:

I can. Again, we applied the same framework where we had a problem-solving canvas, a single accountable officer. We understood what the problem was. We created a driver tree to break down the problem, to understand what it takes to make a productive recruiter. And when we measured it every single day in a meeting. And what we found is we had a sub-optimized system. We hadn't manned our recruiters properly. We took our professional recruiting force and kind of had them supervising people that were new to recruiting, put them back on the bag, and said you recruit and show people by doing how to do that, and started to reward people.

And our incentive structure was off. If I have a monthly quota, then, hmm, I met it this month; maybe I'm going to hold back some of these guys for next month so I can – you know, you can see where that goes. Now it's like: Take the restraints off. Bring everybody in you can. And we had a bunch of sailors who were medically cleared, but we weren't acting on them because people were afraid they'd bring someone in that had a condition. Well, something bad might happen. And we took some bold leaders like Caesar Czerewko and Jim Waters, and they just burnt through that. And they made decisions: yes, yes, yes, no, yes, yes. And

we met – that was kind of a windfall. Meanwhile, we’re trying to orient the machine so it’s more productive, and it’s something we’re measuring daily, which is all attitude and everything else. And I think we’re in a pretty good space now.

But that’s what it took: daily visual management and focus by a leadership team that knew the problem they were trying to solve. It goes back to the same thing I talked about in thing three, create a learning Navy that is good at problem solving in a consistent manner.

Rear Adm. Spicer: How much of what you’re doing – efforts like this, what the Navy’s doing in the Red Sea and elsewhere – how much – what’s the public perception? And what are you hearing?

Adm. Kilby: You know, that’s good. I don’t know that I have a good beat on that. This audience probably has a much better assay on that than me.

I feel – this is a Kilby opinion – that we have a bit of sea blindness in our nation. I think a lot of people don’t know what the Navy does, what its purpose is, where it is, that it’s out and about. The uniqueness of our service is we forward deploy. We have a machine that roughly, at any given time, a third of our forces are forward deployed, a third of our forces are getting ready to deploy, and a third of our forces are in maintenance to start that cycle.

So to me, the value of a Navy is having it where it needs to be when something happens so you have options. And so it was in the Red Sea. And we had a bunch of ships with aggressive COs, who had been trained to do what they were going to do, with a fleet commander that was focused on the ball initially, who then became supplemented by the Ike strike group, with another great strike group commander that was able to work that situation, where it almost became a nonevent. But if you were in the business, if you were in the maritime business and you’re watching what’s happening there, it is a complex area of the world, and always has been. And is growing more so complex. So we should focus on that. We should give our commanders what they need to do. And I could not be more proud of the Navy and the performance of our sailors.

One other piece. When we were youngsters we did data recording on our ships. And we would come back from an event and some human beings would come aboard and take all these tapes off, and they’d go crank through them, and eight months later they come back and give you a report, and you forgot what happened or maybe you weren’t even there. So that’s time late. Taking a page out of the aviation book, and a bunch of smart people including industry, they were turning data from

the Red Sea within 24 hours. So I take the tape, I send it off, I analyze it. Did the system perform as it should have? Yes, no? If it didn't, what was wrong? Let's get on that and fix that. Did the human perform as they should have? Yes, no? No? What happened in the training? What happened there? Let's fix that.

So this feedback cycle, this learning engine is really synchronized to make sure we're pacing this thing. And to me, that is a super improvement as well. I don't know if the American public knows that. I wish – they should. There's been a number of events and reporters going out and embedding themselves and telling that story. Does it resonate? I hope it does, because we got a bunch of great citizens out there doing great work every day.

Rear Adm. Spicer: Yeah. They're doing a wonderful job. As I said, you got questions coming in so I'm going to take a pause in mine, and I'm going to start hitting some of these if that's all right, with you, sir.

Adm. Kilby: Sure.

Rear Adm. Spicer: All right. All right. First one from Captain Erik Looman, Netherlands Embassy.

How do you see the role of allies and partners expanding in our security strategy? And where do you see the greatest opportunities and threats for intensifying cooperation to truly enhance interoperability?

Adm. Kilby: Well, we say it a lot and we mean it. We cannot do this alone. You know, if you look at the growth rate of the PRC, it's asymptotic. And we're not on that growth rate anymore. But with allies and partners, we can create a very credible and unified force. But we have to train together. And we have to do it in a realistic manner. And the INDOPACOM commander and the Pacific fleet commander are really good at this. And there's a series of exercises they run that I think help with that greatly. And we have allies that normally don't deploy to the Pacific that are. The U.K. is going to send Prince of Wales in 2025 to the Indo-Pacific. And there's some specific goals we're going to try to get out of that – interoperability between F-35s and their big deck and our big deck. How do we employ that? And in so, I believe we can help our allies and partners keep up with this.

So when I had a role in my previous life as the senior U.S. guy that worked with the U.K. on carrier interoperability, I was pushing LVC. I said, live virtual constructive. It's a non-sexy investment because it's not a big thing that you buy, but it's important to be interoperable with us. And you can train from over here with us over there and maintain some

relevance as we move forward. So I think there's some foundational investments where we can encourage our allies to keep up with this. You don't have to buy my box, but your box has to talk to my box. And if we can do that, I think that that we can make some inroads. But I think it is super important because I think it sends a message that is really hard to ignore on how we operate together.

If you talk to some other nations, they really prize the U.S., particularly the U.S. Coast Guard, in the Pacific, because of our standard of behavior from a Coast Guard perspective. And it is the gold standard on how we think, act, and operate, as opposed to some other coast guards which don't have that same mindset. So I'm all for it. It is challenging. And we just have to work together. I think we can do better as far as covering down on global force management together. We could send a signal that, hey, it looks like we're going to have a gap at this period because of our maintenance of our ships. Could you cover down on that? I think we can – we can make some money there. As opposed to just saying, well, we have to do it all on our own. It's great when you come, but we have to do it all our own. I think there's room to improve here.

Rear Adm.
Spicer:

Yeah. And, as you well know, there's all kinds of dialog, right, about China. Since we're talking about the NAVPLAN and 2027, and the fact that China's shipbuilding capacity essentially dwarfs our own. And in World War I, World War II, we could – we won those by out-producing our adversary. We're not going to out-produce China in shipbuilding, in particular, by 2027. But there are a number of other things that we can do, including working with allies and partners.

Adm. Kilby:

That's one. I think getting more players on the field is another. That's the theme. And that's why the CNO sounded the alarm here to be more efficient and effective here. I think the way we operate is at a higher level. The way we integrate in our U.S. military, but in particular the Navy, is unmatched. And that's an advantage for us. The ability to train together is unmatched. And I meant that we have a – we have a machine that produces and certifies strike groups and ESGs to do this body of work. And not – I do not know of another Navy that has that machine. So let's double down on that and the effectiveness that it has.

Rear Adm.
Spicer:

I've got about 1,000 questions.

Adm. Kilby:

OK.

Rear Adm.
Spicer:

This one from Mike Velasquez, senior policy advisor to Representative Jake Ellzey from the great state of Texas.

How can the Navy afford all of the 2033 priorities the CNO included in her NAVPLAN?

Adm. Kilby: Yeah. So, well, not only this CNO but her predecessor and her predecessor and her predecessor have been consistent about the need for a larger Navy. That is out there. What I am bullish about my boss is she's put out that demand signal, but she's focusing her Navy on what we can fix. And some of those things are – I won't say we've been a little lazy. We probably haven't been as attentive as we could have been. So again, I'll use Admiral Chebi, who's the Naval Air Systems commander, and Vice Admiral Undra Cheever, who is the air boss. Over a couple years, with Admiral Whitesell who is Undra's predecessor, they found different ways to do things and they've reapplied that money to other things. So that's getting more out of your money.

I mean substantial money. Money to the point where when I became the vice chief Admiral Chebi called me up and said, hey, vice chief, I'd like you to do this video where you promise to return to the aviation enterprise savings we find. And I said, wow, you must really not think very much of me if you have to do this on a video, but sure.

Rear Adm. Spicer: (Laughs.) Trust. It's all about trust. (Laughs.)

Adm. Kilby: And we did it. And it was about tamping down anxiety in his workforce that we were going to reverse course here. And so he came – he, Admiral Chebi – explained this process to 20 other three-, two-, and one-stars, about how he went about this and changed the culture within his organization. So it's about being more efficient. It's about hunting for leverage within your own resources. So to me, the combination of a stretch goal, the pressure to make you do something differently, to not just stand on the street and say, woe is me, I can't do it if you don't give me more money. That's what we're about. And any – you know, I hate to say this, but if I hit 78 percent, it's better than what I am now. So let's go after it and spend less time quacking about the goal, and more time doing it.

Rear Adm. Spicer: They're still pouring in. All right, this one from a guy named Vice Admiral Pete Daley, U.S. Navy, retired, former CO of USS Russell. You were former CO of USS Russell.

Adm. Kilby: The first CO of USS Russell.

Rear Adm. Spicer: Without an appropriated budget yet again, and with a top line constrained negative real growth, what are we doing to speed things up to address shortages of critical munitions?

Adm. Kilby: Well, the money piece I kind of addressed. Certainly a focus DOD-wide. In my participation in DMAGs and JROCs, with everyone, we recognize this problem set. I'm seeing competition in the industrial space where we haven't always had competition. I think that's helpful. But, again, it's going to take a while to reverse this course. But instead of having minimum sustainment for my munitions, there's been a shift to what is the optimal procurement rate for that munition, and a growth rate.

You know, there's some – there's interest in the Army, and most recently – Army and the Marine Corps, certainly, for maritime strike Tomahawk. Army for SM-6. So there's some leverage there that we can bring to bear for munitions. But it has got full attention from the deputy secretary of defense and the vice chairman to all the members of the DMAG to get after that. And we recognize that that's a problem. But it will take more money. You know, so it's not – it's not like you can't do it for anything. So there's got to be a shift in prioritization to make that happen. And I see that shift underway.

Rear Adm. Spicer: You know, probably related to that, again, lots of dialog about our use of high-end weapons to take out \$10,000 drones in the Red Sea. And we're going to go Winchester, and then we won't be ready to, you know, take on China. But I know there's a lot of work that's being done on coming up with other means to take out –

Adm. Kilby: Well, counter-UAS is a super focus area for the secretary of defense, and really everyone. I feel a little personal guilt here, as the nine, that when we were pursuing a laser I was kind of focused on 500 kilowatts to one megawatt to knock down an ASCM, and everything else is a less or included offense. What if I had been a little more thoughtful and said, hey, I'm good with 200 kilowatts. Let's knock down a bunch of UAVs. We'd be in a different place. So mind shift needs to happen. Mind shift change needs to happen. We're working very hard on deploying ships now with some system, even if it isn't integrated, that can help with the UAS problem, right?

Rear Adm. Spicer: Right. I know the Marine Corps is doing a lot there, too. And then there's the whole Replicator process that hopefully is helping as well.

Bob Dishman, Sierra Nevada Corporation. If you want to break some glass, would you consider not using ship crews to augment the yard workforce? Aircraft in depot are not maintained by squadrons. Why are ships?

Adm. Kilby: Hmm. Read that question again for me.

Rear Adm. Spicer: Yeah. I got to read it for me too. If you want to break some glass, would you consider not using ship crews to augment the yard workforce? Aircraft in depot are not maintained by squadrons. Why are ships?

Adm. Kilby: Yeah. I don't know that we – I need to probably go offline with this.

Rear Adm. Spicer: Yeah.

Adm. Kilby: But my sense is, we're not counting on our crews to do work that we're contracting to the shipyard. Certainly not in the – in the private space. But we do require our ship crews to not give up their ship, which includes fire watch, other maintenance. And there's work that ships force is doing all the time, in addition – in conjunction with the paid availability. So I don't know that I would shift that completely. There's probably some work we could outsource. But I don't – I have to get with that individual, and I will get with you afterwards to get his name with my staff, to kind of close the loop on that.

Rear Adm. Spicer: OK. Sorry, I'm going through these, like, as they're coming in. And I'm sort of making sure they're suitable. (Laughter.)

Sam LaGrone, USNI News: Coordinating the availabilities for maintenance has been tough. GFE is often late to need, NAVSEA is sluggish to maintenance change orders, and repair yards don't have enough time to plan. How will the new NAVPLAN priorities change the repair effort status quo? I think you touched on some of that.

Adm. Kilby: Well, let's just go into it a little bit, because I haven't talked to Sam about this specifically. But let me call out some things that are trending in the right direction. If I can lock down the contract at A minus 20, which means 120 days before the availability starts I've locked down the contract, I've ordered my long-lead material and I have it available so I can start, that's thing one. And it hasn't been – it's taken a while to get there, especially when you cross over fiscal years.

But the second thing that we talked about just yesterday was knocking down the decision rights for requests for contract changes. So that means I'm doing work on a ship. I find a known condition. I have to modify the contract to address this work or not. And we have been underway on a pilot, which – it takes a long time to adjudicate those changes if you run them all the way up the flagpole. NAVSEA, SEA 21 specifically, said let's take this threshold below and let it be resolved by the project manager, which kind of knocks down the 30 day wait to

about seven days. So that's an efficiency, a time savings.

We're challenging that. Like, how high can we go? What should the ceiling be here for that decision, right? Let's look and make sure that we're, again, looking at time as a commodity here, not a constant that can be whatever it is. So I think those points are well taken from Sam. But I think we're working. As we squeeze the system to get the 80 percent, we're looking for those leverage points that make sense.

Rear Adm.
Spicer:

I'll try to shorten this one, but this is from Will, no last name, member of industry.

The Navy has utilized several unmanned systems across Fourth Fleet, Fifth Fleet, and now throughout the Pacific, but has yet to budget for many of those platforms in the services' POM. Instead, the Navy has primarily relied upon congressional plus-ups to fund initiatives that are often referenced as examples of Navy innovation. With 2027 as the focus, and with POM '27 rapidly approaching close, what can you share about the service's intentions to organically budget for unmanned systems at relevant scale?

Adm. Kilby:

Yeah. My last check, fact check, was we have \$16 billion in the Navy budget for unmanned systems. Some of that is from congressional adds, but not all of it. The Replicator program you described is getting at a thing called nontraditional sea denial, which is one of our NAVPLAN implementation framework levers. I hope we get a chance to talk about that. But it is a large number of unmanned things that can bring an effect to bear as we marshal the fleet, and other services to support that. We're on the clock to deliver some capability by the – in the next year and a half.

Sometimes I've watched when these things come into the Pentagon, if they come from outside the screen, it's like reverse baseball. You know, the ball lands in the outfield, and the outfielders run away from the ball. So sometimes you have to encourage them to get the ball, right? And in the case of this instantiation of surface vessels, we've encouraged Admiral Daly to pick up the ball, who is the N96, and work with Admiral McLane to do all the DOTMLPF required to put that part of nontraditional sea denial together so it delivers an effect with operators that meets the CONOP and CONOP of PACFLEET.

But we're doing this in a nontraditional manner, no pun intended. Meaning we're doing it in parallel. So we're developing CONOPS, while we're developing systems, while we're developing C2, while we're developing payload, and the system that controls them at the same time. So it's a little clunky. And I want to be measured here on delivering a

capability and not chasing perfect, but being satisfied with good enough to meet the bell and the timeline. So I think that's an example of that.

But to the question, it's exactly why CNO made this number two. Autonomous systems. Tell me the plan, team. Tell me what we're going to deliver in '27 for our – that can supplement our carrier strikes and our ESG? And then build me a road map in this – in the future that I can explain a hybrid fleet in a – in a fairly succinct manner. That's work for us to do. Even when I was a nine, we were platform rich and strategy poor. We had two resource sponsors sitting next to each other in the same directorate creating different systems that use different C2, do different communications. Can't do that. That's not smart. So getting the team together here on the end state is clearly the call. And I think that question drives us to that too. So point acknowledged.

Rear Adm.
Spicer:

Yeah. And I think there's additional challenges. One is the integration of unmanned, autonomous also, and manned. And then the other is the whole C2 to connect everything, right? To integrate everything. And then there's a joint aspect as well. So it's –

Adm. Kilby:

Yeah. And any of these things, Ray, that you talk about are really complex, because they involve multiple resource sponsors and multiple program managers, which isn't the way we like to do it. So it requires a different construct to focus people to deliver a product on a timeline. You know, the things that CNO highlights here that she got from Admiral Gilday and added nontraditional sea denial – she added – we used to call it the four by four. It was long-range fires; counter-5ISRT, which is counter-targeting; contested logistics, and – what was the last one? – terminal defense. Those were the top four. That's what we needed in the Pacific. And they were aided by some enabling technologies like AI, naval operational architecture, live virtual constructive efforts, and those were things that are hard to deliver. Each one of those were assigned a single accountable officer to work across functional team.

So if you picture the four – now five, with nontraditional sea – those are five runners racing to the finish line. They need to get to the finish line together, so I need to tie all their legs together, and the one that's the slowest may need the most investment so I can deliver that whole package. That's a different way of thinking about things. It's a different way of resourcing things in the Pentagon. So, to me, that's an emphasis area for us as well.

Rear Adm.
Spicer:

I think you said you hoped that you would have the opportunity to talk about nontraditional sea denial. Do you want to take the opportunity?

Adm. Kilby:

Well, I did a little bit with this, and Admiral Paparo has talked about Hellscape. That is a codeword for nontraditional sea denial. But it is applying a bunch of things at an area that can be – produce an effect while our traditional fleet gets moved forward. To me, that's kind of the 2027 initial instantiation of that beyond what we're doing from our normal unmanned things.

What CNO wants is elements of that into the ship, into the submarine, into the air wing. And we're pursuing that with MQ-25. That is the first and foremost thing that we need to get right so we can stop using fighters to tank our fighters and start using tankers to tank our fighters. And once we figure that out, I think it will open the door wide open on how we work the air wing with manned and unmanned aircraft to have maximum effect.

So, to me, that's what the CNO is signaling us – for us to do; like, lay that path out for me beyond 2027. Because, again, we're not going to sail off the edge of the Earth in 2027. We got to produce a Navy that does what our nation needs it to do. So, to me, nontraditional sea denial is an instantiation of that and – for a specific conflict in the Pacific, but the broader vision is this hybrid fleet.

Rear Adm.
Spicer:

Thank you.

Here's an interesting one. Robert Rise, Pallas Advisors: What is your greater worry, intelligence on the future of Chinese aggression in the Southern Pacific or the current condition of the defense/naval industrial base?

Adm. Kilby:

Those are both significant worries. I don't know that I would rate one above the other.

The defense industrial base clearly needs our attention. You know, we've made it very efficient, and we need to make it effective. When you go out and about and talk to folks, they're all struggling with a couple things, second- and third-tier sub-vendors and having a robust supply chain to help them. They're suffering from a workforce that is green because a lot of folks left and they don't have middle managers with 15 years of experience; they have managers with five years of experience. And that's hard to make up for those 10 years. So I think there is a real concern there, but we are after that and understand that. And thankfully, with the support of Congress and our submarine industrial base, which will be the maritime industrial base investments, I think that's super important.

The intelligence is vexing. You know, if you look at China, they generally

exceed what our prediction was and they deliver consistently. So I feel pretty good about the intelligence apparatus. I feel – I'm worried about their consistent success. They have a machine that's different than ours. So we need to double down on our strengths. And if you listen to folks talk about that, some of those strengths could be software development, and are we using that and leveraging that to our maximum extent. I think we have room to grow there.

So there's a combination of things, but both of those are significant worries.

Rear Adm.
Spicer:

Absolutely.

Stephen Carmel, president, U.S. Marine Management: You've talked about – you were just talking about supply chain. You've talked about challenges with munitions. What are – other logistical challenge is the Navy – is the Navy facing? Specifically, can you comment on challenges with fuel delivery?

Adm. Kilby:

Yeah. I think, again, one of the five-by-four things is contested logistics. And I used my runner analogy about tying legs together because I suspect that the slowest runner in that pack is the contested logistics runner. So understanding how we distribute our fuel differently, how we – and we're working on that with CONSOL tankers and a bunch of other things – I think where we keep our fuel in the Pacific is an important thing that Admiral Paparo is working on and Admiral Koehler because we're out of the Red Hill business and distributing that differently.

The Marine Corps is very aggressive in investigating things like fuel bladders that can remain kind of sunken and brought to the surface when needed. So the ability to kind of distribute that differently is an important skill set for us.

So that is definitely part of that because this fight is going to be long and the Pacific is huge so being able to refuel and sustain ourselves is things that we have to continue to get after.

Rear Adm.
Spicer:

Unfortunately, we have time for one more question and I've gotten, like, 17 so I'm going to pick one.

Mike Hogan, the Atlantic Council – can you clarify a timeline for enhancing long-term advantage goal – for the enhancing long-term advantage goal of CNO's NAVPLAN and explain what right looks like in the end state.

Adm. Kilby: So her goal in the NAVPLAN is 2027. That isn't just because that's the end of her term. It's because our – one of our potential adversaries has signaled that's the point you need to be ready.

So a couple things. We don't want to optimize for 2027 and not do anything else. So I use an example which is familiar to some people in this room called Navy Integrated Fire Control-Counter Air, and at a – at a reasonable unclass level from the sea and involve four elements, an E2D Baseline 9 destroyer, an SM-6, and a CEC data link.

And the initial instantiation of that was an increment that delivered some degree of capability – I can take on X targets at X range. As we built that system out, right, there were advances in the radar for the E2D and the missile and the weapon system that allowed us to achieve X-plus targets at X-plus range in a different manner.

So, to me, 2027 is the focus. We owe it to the fleet commander to tell him, in this case Admiral Koehler, what we can deliver by 2027 across those elements that I described. But we also need to keep the machine running because I need to go increase in the step function of improvement on what I can do next, and that could be 2028. It could be 2029, depending on how those things play and what technological advancements we can make.

So 2027, for a reason, optimized so we're ready. The CNO is not shy. It's about warfighting. All those things are about warfighting and warfighter advantage. So 2027 is that focus, that distillation. But the machine is going to keep running after that and your United States Navy is going to be ready to go.

Rear Adm. Spicer: Yeah. Well, great. Thank you to everyone for all the great questions. I'm sorry we couldn't get to all of them.

Thank you, Admiral Kilby, for your service. Thanks for what you're doing there in the Pentagon. We couldn't have a better, more capable officer as the vice chief of naval operations. So thank you for all you do.

Adm. Kilby: Thank you, sir. Thank you. (Applause.)

(END.)

