

Mr. Richard Spencer
Senate Armed Services Committee
Nomination Hearing – Secretary of the Navy
Opening Statement

I would like to thank Senator Warner for his very gracious introduction and for his unending service to our country. I would also like to thank Secretary Mattis for his support and the President for his confidence in nominating me for this position.

Thank you Mr. Chairman, Ranking Member Reed and members of this Committee. It is a great honor for me to appear before this you seeking confirmation as the 76th Secretary of the Navy. The honor is specifically magnified by the current state of play in the world today, which is nothing less than a perfect storm. We have been at war for the past 16 years with the operational tempo of the various conflicts in which we are engaged denying us the needed time and resources for modernization and maintenance. Add to that the growing requirements generated by the Combatant Commanders who are facing continually evolving threats from all corners of the globe, and you have a Navy Marine Corps team that has been continually engaged and stretched thin. At the same time the impact of the Budget Control Act, which gave birth to sequestration, and the inability to produce consistent sources of funding in the form of budgets, has produced an environment where, as Secretary Mattis has said, “We are no longer

managing risk, we are now gambling.” We must immediately commence the heavy lifting needed to buttress the effects of this storm in order to build fleet readiness in the near term and increase the Navy’s capability and capacity, both of which are needed to satisfy the Combatant Commanders requirements.

Before I answer your questions addressing my ability to lead the Department of the Navy, let me briefly provide you with my views of naval matters. First, people are our most valuable and most expensive resource within the Navy. The Navy Marine Corps Team, their families and their civilian teammates have never failed our Nation and they never will. However, I believe that we are failing them through such actions as the Budget Control Act and Continuing Resolutions. Due to their determination and patriotism they have, and continue to, do more with less. I also believe their diligence, attention to duty and commitment to putting the Nation and their teammates above themselves has not been reciprocated in all instances. If confirmed, I do not want to stifle their “can do” spirit in the least, but I also do not want to send the signal we are taking it for granted. It is not the Secretary of the Navy, nor the Department of Defense, nor the Congress that is bearing the brunt of this current situation. Rather, it is the Sailors, Marines, our citizen soldiers in the Reserves and their families who are squarely shouldering the burden. All the while, there is a growing demand within the private sector to employ sailors’ and Marines’ which

puts more pressure on retention. The Navy must boost its efforts to compete with Corporate America and focus on delivering exceptional educational opportunities and professional challenges in order to keep this high performing Navy Marine Corps team in place. We must work together to find the resources and the solutions necessary to make the Navy a preferred career.

Second, I believe that U.S. Naval superiority is a cornerstone of the foundation for American security and global stability. A maneuverable, forward deployed Navy Marine Corps team is an integral element that increases the options available for a whole of government solution to situations around the globe. In order to support that mission, we must address the capability and capacity of our fleet forces. I believe the nuclear triad is one of America's more effective threat deterrents, and the Navy owns the most survivable leg of that weapons system. Therefore, it owns the task to maintain and modernize its leg of the triad. As the Navy steps out the act upon the intent of the President and the Secretary of Defense, it must do so with renewed rigor and effectively apply its resources with an enhanced sense of urgency. The organization must analyze its existing systems and platforms to extract all additional efficiencies, while, at the same time, it incorporates the advantages provided by both internal

research & development and advances developed by the private sector. Urgency must be the theme as we enhance our existing capabilities in order to fight beyond our present capacity while also focusing on increasing the size of the fleet.

Finally, I believe the organizational construct needed to deliver the aforementioned goals is one that is flat, lean and agile. It is an organization where those who face and manage situations have the ability to make decisions with the full understanding of the responsibility and accountability associated with the outcome. My business career has been well served by the credo that accountability starts at the top and then permeates through the organization. I have also learned that each member of an effective organization must be empowered to put forth changes that will enhance its operational efficiencies. To adapt in the face of competition, the whole Navy team must be engaged. If I am confirmed, I would use a tag line borrowed from the Department of Homeland Security, and that I have paraphrased, as my guiding principle to changing the organization: "If you see something, suggest something."

In closing, let me say that I do not come before you with a preconceived agenda to address the issues facing the Navy and the Marine Corps. I come before you ready to expeditiously assess the current situation, develop the tools needed to enhance its ability to fight, and to deliver on the responsibilities of the office of the Secretary of the Navy as delineated in Title X. If confirmed, I will accomplish this by coordinating the efforts of the Chief of Naval Operations, the Commandant of the Marine Corps, the Secretariat and the Senators and Members of Congress, through leadership that is grounded in transparency and accountability. Thank you, and I look forward to your questions.