Righting the Ship: Restoring American Seapower in Tough Times

TRANSCRIPT

Discussion

- Congresswoman Elaine Luria, U.S. Representative, Virginia's 2nd District, and Vice Chair, House Armed Services Committee
- Bryan Clark, Senior Fellow and Director, Center for Defense Concepts and Technology, Hudson Institute

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A video of the event is available: https://www.hudson.org/events/2059-virtual-event-righting-the-ship-restoring-american-seapower-in-tough-times22022

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Bryan Clark:

Welcome to the Hudson Institute. I'm Bryan Clark, a senior fellow at the Institute and director of the Hudson Center for Defense Concepts and Technology. We are lucky today to have with us Congresswoman Elaine Luria, from Virginia’s Second Congressional District. In addition to being a 20 year Navy veteran, a surface warfare officer, Representative Luria is Vice Chair of the House Armed Services Committee, and serves on the Seapower Subcommittee, as well as other committees in the house, where she's very active in defense issues and national security issues. We're here today to talk about primarily the Navy, but also national security at large. The name of the event is "Righting the Ship." We're trying to talk about how the Navy might be able to get its sea legs under it and restore its ability to secure U.S. national security, as well as secure the waves and the waters for all of our international partners and allies. Thank you very much for being here with us, Representative Luria.

Elaine Luria:

Well, thanks for having me back again.

Bryan Clark:

And so to start out with, we're here in Washington waiting for the FY 2023 budget to arrive from the DOD, which is reportedly not going to be very generous to the military services. It sounds like they're all being asked to make some pretty hard cuts, the Navy in particular, and they're not going to be getting an increase. It doesn't seem though, like the world has gotten that news that we want to maybe curtail our defense spending. We've got Russia on the doorstep of Ukraine threatening invasion. We have China making regular aggressive overflights of Taiwan. We have North Korea launching hypersonic and ballistic missiles to test those out and threaten their neighbors. And we also have Iran who is mounting a effort to support the Houthis and their effort against the Saudi Arabians and other Gulf allies, as well as fielding a large array of unmanned vehicles that they're now distributing to their non-state actor allies around the Middle East.

A lot's happening in the world from a security perspective. Seems like maybe the administration is not necessarily taking that on board when it comes to this defense budget and then also, in the National Defense Strategy that we're waiting to see, which is going to focus on this idea of integrated deterrence. How do you see our current situation and where do you think Congress is going to have to step in and try to maybe make up for some things that the administration might not solve in the course of this budget and strategy?

Elaine Luria:

Well, going into the next year's budget, I feel like it's going to be a repeat of what we just saw, but perhaps worse, I think, going into the budget, which, let's just be straight, I mean, we're on a CR five months into the current year and we haven't even passed the budget, but we did pass the NDAA, the National Defense Authorization Act, the defense bill, and we had to do a considerable plus up to that. I think we went into the budget cycle saying that we needed to see a 3% to 5% increase in real dollars and that wasn't included. And since we like to focus on the Navy, I mean, there was significant cuts in shipbuilding, an effort to decommission seven cruisers for LCS, essentially 15 ships overall. And we have
every leader in the military coming before us saying, "We need to grow the size of the Navy in order to respond to China and their rising aggression."

And so, everything I'm hearing from inside the building is that this year's going to actually be worse and it's notable and it was in a very bipartisan way. I worked with Mike Rogers, the ranking member from Alabama, and ultimately, we had a good bipartisan group supporting that plus up because I think we, overall, as Congress recognize the fact that we need to make these investments. And you listed a long list of things that are our current and ongoing national security concerns and that certainly wasn't even all inclusive. There's even more and more places in the world where we have a focus and we have a presence. And this may go back to some things people have heard me talk about before, but as a member of Congress, what do we want to hear? We want the services to come to us and essentially say, "This is what we need. This is why." And most of all, "This is the risk of not doing it," and I think that that is a portion of what has not been communicated.

I've been clear that I feel that there's a lack of a maritime strategy, and I think it's very important to understand what the strategy is. Where do we need our forces? What type of forces do we need? We've gone years without a 30-year shipbuilding plan and I think the previous administration had a good focus on what needed to be done for the Navy, but it came so late in the administration that now with these of views of national defense strategies, nuclear posture view, and all of these things with the new administration, and potentially a pivot on some of those, we're starting over again without really understanding what the future of the fleet looks like.

And last year, what did we deal with? This divest-invest strategy. And I really want to pivot on the urgency with which we need to do need to have force that can respond and react, and a few thoughts going through my head. Stepping back a little bit, I mean, you talked about this integrated deterrence, and if I sit here and think about integrated deterrence, is this just the newest buzzword? What is integrated deterrence? Can anyone clearly define what it is? I mean, and I understand from some comments made in the administration, folks serving in this Defense Department, that it's an idea of integrating all of the levers of government, but don't we always do that? Why is this something new?

And so, is this just going to be a new buzzword that we repackage things under, but the truth is you have to actually have the deterrence. You have to have the forces and I felt like last year's budget, we were going to cut the fleet that we have today in the hopes of a future capability that we were going to develop, and that on the heels of two decades of lost shipbuilding opportunities. That's very concerning in the outlook that I have going into the budget this year.

Bryan Clark:

Yeah, absolutely. And so, to stop on integrated deterrence for a second, it seems like with the approach that we're taking currently to Russia, it seems like the integrated deterrence that we're approaching it with is mostly economic and diplomatic and not really the military dimension being employed. When they say they're trying to integrate all the elements of national power to deter an aggressor, it seems like we have a test case right in front of us where we're not actually using all those tools, and it seems like the Navy could be one of those tools. And if we had a strategy for how the Navy was going to be employed as part of a overall National Defense Strategy, that might be a good way to start arguing for what the fleet of the future should look like. Is that what you're looking for maybe in the NDS, is at least
an inkling of what the role of the maritime services are as part of this overall strategy of integrated deterrence?

Elaine Luria:

Definitely, and I think that there's really a bigger question, and the bigger question is, what is our role in deterrence, in the sense of, is the United States going to react? And I think there's parallels that we can talk about on the legal side, specifically about defense obligations to other countries, which are allies and partners. And for example, Ukraine, not being a member of NATO, so there's no Article 5 requirement, that we will come to the defense of Ukraine. And I really don't think anywhere across the political spectrum, people are arguing for boots on the ground in Ukraine and I do think that there are levels of our government. We have provided security assistance. We did 60 million, additional 200 million in defensive weapons in support of Ukraine. I think we've redoubled and shown our resolve to our NATO partners. We do have a carrier strike group operating in the Mediterranean in the Harry S. Truman Carrier strike group, doing exercises there and we are considering potentially providing additional forces to reinforce our NATO allies across Europe and potentially, maybe focus on the Eastern European countries that are members of NATO.

And so obviously, our ultimate goal in this situation is to hopefully see a diplomatic resolution in any circumstance that we would not want to have anything escalate to conflict. But the fact that we really don't have, in my mind, an overarching strategy globally for where and how our forces operate and how that is part of a greater deterrent, is really what I'm focusing on and I think you could shift to the Pacific and have a very similar conversation. Just upfront, I think that our current policy of strategic ambiguity, it's time to change that. I think that we need to provide strategic clarity. We need to be very clear and unambiguous and say that the United States will react in order to maintain the status quo and I think that something like that should be the foundation of building this National Defense Strategy and what deterrence looks like in the Pacific, what our force looks like, and essentially, taking into account as well, the urgency of the situation.

We all know what Admiral Davidson and Aquilino said, that China could try to take Taiwan by force in the next six years. That was a year ago, so in the next five years. And very interestingly yesterday, that there was a senior academic who advises President Xi in China, who was quoted as confirming that “Davidson Window” and saying that a timeframe of 2027 was essentially very much within the realm of what they were considering and putting that in context of other events happening in the near term in China. And so, I think there's a big disconnect. I mean, if you go and sit down with Admiral Aquilino, Admiral Paparo, and get an update on this is what's happening in the Pacific. There's a gray zone conflict that's happening every single day and the Chinese are testing us. They're testing our allies and they very clearly know, one way or another, in their mind. They either think the United States will come to the defense of Taiwan or not.

Think about it. The strait is 120 miles. It doesn't take very long to cross the strait, but the president essentially has no authority to react right now in order to defend Taiwan. If you think about the War Powers Act, you can't introduce forces in places where hostilities are likely if U.S. forces are not directly attacked. There's really nothing. And then the Taiwan Relations Act doesn't have a mutual security requirement. And so, I wrote an op-ed a few months back about how the president's hands are tied. And so, I think we, in Congress have a role. We need to have a debate and we need to be very clear and
unambiguous, that I think that we should say that we will come to the defense of Taiwan in order to maintain the status quo and we need to put our forces and coordinate that in the Pacific with our allies in order to support that commitment.

Bryan Clark:

You think a legislative solution might be appropriate to force the United States’ hand to make it clear that we're binding ourselves to the defense of Taiwan in a way that the Taiwan Relations Act is not really because that's more about supporting Taiwan in its own defense rather than defending it ourselves. Given that, then that would lead us to some National Defense Strategy that articulates how those military forces are going to get employed to support that defense, which I think as you noted, is going to require change in posture. I mean, right now our forces are not necessarily postured in such a way that they could respond in a relevant time period to an attempted bombardment, invasion, blockade of Taiwan. Are you looking for that change in posture to be articulated by the White House as part of its overall National Defense Strategy? And then what would be the implications you see in the budget and what’s being presented to you over on the Hill in this ’23 budget?

Elaine Luria:

Yeah, that is what I'd like to see. I don't have any indications from what I know from people inside the building about what we might anticipate seeing in the upcoming budget, that that is an indication of what will be there and/or really any idea that there'll be that strong of an affirmation and commitment to the defense of Taiwan in any National Defense Strategy that's being drafted. That is what I would like to see. I know that other colleagues of mine on the Hill share that but I don't anticipate that it will go that far. What am I expecting to see? More the same from last time. I mean, I think there'll be cuts to shipbuilding in particular, and we're really facing a cliff with regards to the surface fleet. If you think about the number of DDGs reaching their 35-year service life... I think I read that starting in 2026, there's going to be 27 DDGs that are coming up at the end of their service life.

And I know the Navy had been analyzing service life extensions, modernizations. I think it's criminal what we've done over the years with the cruisers, but realistically, the last budget, or the last NDAA, they attempted to decommission seven. We did preserve three, and honestly, based off the material condition of some of those hulls, three or four was the number that made sense at this point in time. But we really do need to look at the composition of our surface fleet. And when they send over a budget that wants to build one DDG, I mean, the DDG is the ship that can build on time, on budget, every year and have been able to for a long time so we need to commit to building what the industrial base can support, the DDGs, get the FFG program online, potentially expand it appropriate time to a second yard for building FFGs.

I mean, the national security cutter. I hear that they're going to stop at 11. Why don't we do 12 and then double that to 24? And whether those are within the Coast Guard or the Navy, I mean, it's a platform that we can build and I think we need to leverage everything that we can build on everything that we have currently to add to the mix.
Bryan Clark:

What I'm taking away from this is the strategy of divesting to invest, which seemed like a logical approach. It doesn't necessarily make sense if you think your adversary is gearing up for an action that's maybe in the more of the near term, like in the next three, four or five years. That doesn't make sense anymore. We've got to shift our focus to trying to retain the four structure and capabilities that we can have in that late this decade timeframe, which means we'd probably have to make some hard choices about some technology development efforts that are very sexy and that people want to go do, but, yeah-

Elaine Luria:

Well, can we talk about that for a second?

Bryan Clark:

Yeah, I was going to ask about that.

Elaine Luria:

When people come and say, "The future of defense is AI and quantum computing," I mean, it sounds great, but I'm like, "What weapon system is that? How do you use that? How do you implement it?" I feel we just have a continuous flow of these overarching visions and programs that don't really materialize into a real network and architecture, i.e. of platforms and how they communicate and target that's envisioned. I mean, some of my colleagues potentially on the Armed Services Committee who don't maybe have direct experience operating ships and a lot of the weapons systems, they'll get a brief on this and say, "We're going to have an ability to see everything in the Pacific and push a button over here to shoot a missile over there." And it sounds great and something you could definitely see in a movie of the future, but the truth is, first of all, you can't get rid of all the platforms, all the ships that have the missiles in order to do that. If they want to call every ship that floats with a missile and it's manned by people as legacy, you have a starting out problem there. And I certainly do think that we need to invest in technologies in the future. I think there are certain applications where unmanned has distinct advantages and actually unmanned, aerial and unmanned undersea platforms, I find potentially more useful than some of the concepts that have been presented for the use of unmanned surface vessels, but I think the technology is promising in the future, but we honestly can't divest of everything we have today, every ship with people on it, and missiles and air defense and anti submarine and every capability.

But we also, I think, are always shooting for the newest fanciest thing and if you think about this situation and what we could do to help Taiwan defend themselves, they're not particularly complex things. And so, I actually had an opportunity in hearings last year to ask the Air Force, "What are you doing in the Pacific? What about LRASM, long-range, anti-surface missiles? How many of those are you planning to acquire this year," and that's a game changer. You have platforms that can deliver that. It was something that wasn't at the threshold that the people providing testimony, the secretary and chief of staff at the Air Force were able to readily provide information and show that that was a priority program. What about mining capability? You're talking about stopping essentially an amphibious
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assault. Providing mining capability and having adequate offensive mining capability, it's not complex. It's not expensive, but we don't prioritize it.

And so, I think that the big picture here is going back to a strategy. What is the strategy? Is the strategy actually stopping the invasion of Taiwan? And if so, what forces do we need? What weapons do they need? Where do they need to be and how do we generate those forces with what we have today while adding, albeit at a very slow rate, in the timeframe we have to that number of platforms? And we absolutely have to build our submarine force. I mean, that is the area where we maintain a strategic advantage and we added resources in last year's budget to try to speed up to three Virginia-class a year. But I mean, I know the challenges within the industrial base, both at Newport News and Electric Boat and both on the new construction and-

Bryan Clark:

Repair side, yeah.

Elaine Luria:

... the repair and maintenance side of that. But then again, what are we doing on the repair side, essentially, for both surface ship, submarines, aircraft carriers? We always want to make an investment in a new platform but do we make the appropriate investments in the repair and industrial base to get the most out of the platforms that we have? And I won't repeat, because probably a couple years ago when we did this, I talked a lot about OFRP, Optimized Fleet Response Plan, but essentially how we deploy. We've got to think outside the box. We get a lot more presence out of our forward deployed forces, our FDNF forces, and we've replicated that model in several other places. I mean, we have missile defense platforms operating out of Broda that operate on a similar schedule and then we've put crew ships on the East Coast and this Project Greyhound to do that, to deal with the Russian-

Bryan Clark:

[inaudible 00:17:58], I know.

Elaine Luria:

... submarine threat in the North Atlantic. And so, if we can get more out of our platforms and operating them in a different way, we need to look at that model, not only for forward basing, but also for CONUS-based ships in order to be able to have the availability to rapidly respond. I mean, I feel like those questions get left out of the discussion of what the Navy is asking for when they come to Congress.

Bryan Clark:

I mean, it seems like what we're seeing is the urgent situation is not translating into more creative solutions on the part of the Navy.

Elaine Luria:

Well, in the urgency of the situation, this is something that I've pushed for and I've publicly said a few times that I think is absolutely essential. I mean, I think that Admiral Aquilino, the U.S. INDOPACOM
commander needs to brief the president personally. And I think that this is our number one defense issue and I think that the sense of urgency that you get from the commander in the theater... If Admiral Aquilino, Admiral Paparo could sit down with the president and brief him directly, I think that the level of urgency, concern, and the investment in this, we could clearly see that go up and I've voiced that to several people in the administration and would really like to continue to push to make sure that that can happen.

**Bryan Clark:**

Right, because it seems like, yeah, we could rebalance a little bit in the budget and say, "Well, maybe we won't invest quite as much in R&D and we'll shift some of that money to current readiness of the forest, and maybe procurement of the platforms we're already building," but that's not a huge shift when it really comes down to it so you really need to probably increase the defense budget some amount to accommodate the fact that we need to sustain today's force while building more of the current generation of capabilities, if we really think this is a 2020's problem that we're trying to address. It's not just a matter of shifting money around.

It's also a matter of more money, which has to be a White House decision because I think one of the things... Obviously the Congress added $25 billion to last year's defense budget, or appropriation, or still in the process of being appropriated, but you're adding money onto existing programs. You can't create some new program. You can't come up with some new operational concept. It really has limited the impact of that money because the DOD didn't bake it in at the start. Is that what you're looking for, is the DOD to try to bake in some of these more creative solutions, as opposed to waiting for Congress to add the money in at the end?

**Elaine Luria:**

Well, I think we all feel like it's a shell game. If the Navy comes to us and said, "We only want to build one DDG this year," but the other DDG is the first thing on your unfunded list, it's... I just want the Navy to come to us and say, "This is what we need. This is why, and this is the risk of not doing it." Essentially, a strategy that is understandable, that is briefed, and backed up by their request. And if they say, "Here's the 40 things that we still need that are not within this budget you've given us," then it's on Congress to make a decision about the risk of not doing those things. But if it's never articulated... I went back and watched some hearings where John Layman was briefing the Senate in the 1980s and it was very clearly, "This is the maritime strategy, and this many ships in the North Atlantic, the Mediterranean, and the Pacific. Add it up. 15 carrier battle groups."

And essentially, where the discussion went is, "This is what we need. It equals 600 ships and here's the risk of not doing that." And that's just not being communicated in that way. And so, if it's all just numbers and 30-year shipbuilding plans when we get one that aren't put into context of what that means, what presence that delivers and what deterrents that equates to with regards to China potentially trying to take Taiwan by force, then it's not being communicated in a way that's compelling and it's not just within Congress. I think that the American public-

**Bryan Clark:**

Right, doesn't really understand.
Elaine Luria:

I mean, how do we get that conversation outside of the room here, or the people who might be interested in listening normally to a conversation like this? I mean, we really need to get that message out to the broader public about the importance of a Navy. This investment is really one of the most important investments that we can and should make for our national defense and our economy. And do you want the Chinese to take over as the world influencer or do you want the United States to maintain our role? And I think that really, if you think about what it'd mean if China invaded Taiwan, what follows from that? And I think that's not acceptable to any Americans or any of our allies. I mean-

Bryan Clark:

Yeah, there's some interesting points to what you were discussing there. One thing it seems like from what John Layman did, and he’s got a great piece in proceedings this month talking about this, but articulated the strategy, how they intended to employ the Navy, and then also the operational concepts. How is the Navy going to operate? What do the forces do when they're out there. It's not just a matter of floating around and magically, deterrence happens out of that. There's a set of tactics and employment concepts they're going to use. That's the explanation it seems like the Navy needs to be making to Congress, but also to the American public, is to say, "It's not just a matter of the Navy's great, rah, rah." It's, "The Navy does these things. Here's how it does it and this is what their implications for the fore structure we need."

Elaine Luria:

We need buy in from the top. I mean, the reason that we built a 600 ship Navy and that the plan, which Layman didn't come up with the plan. I mean, Admiral Hayworth before him. I mean, it was underway. But the truth is, is we had the commitment from the top, from the president, and President Reagan made that commitment. I would like to see President Biden make a similar commitment because this is a situation that requires similar attention, resources, and of similar importance to our future national security.

Bryan Clark:

Which comes back to the National Defense Strategy, because it seems like we may be hoping in the defense strategy to come up with some judo move that allows us to deter China without necessarily having to have the robust military posture in the Western Pacific that I think you're arguing we need. Do you see any way for that to be effective, some combination of economic and diplomatic and information tools being able to deter or dissuade China, when it comes to Taiwan?

Elaine Luria:

I mean, I think those are all tools that we should use and are really using on a day-to-day basis in our relations with allies and adversaries. I mean, all parts of the government need to coordinate together. And if you look at legislation that we're even considering this week in Congress is really China competitiveness related legislation that's already been passed in the Senate and the House will be considering a similar version of that legislation. I mean, that is really addressing the economic and the human rights and the environmental issues, which are all very important. It can't be just defense. It has
to be all of those things, but a National Defense Strategy is really, in my mind, should focus on the
defense element of that plan, whether it's diplomatic or economic. Other departments and agencies put
that together and I would say the National Security Council, they implement and integrate all of those
things into national strategies.

Bryan Clark:

It's interesting. I would take a short tangent here if it's okay. The America Competes Act, which is the
counterpart of the USICA, which is the US Innovation and Competition Act that was passed in the
Senate. It includes several elements that try to restore some industrial strength when it comes to
microelectronics and semiconductors in the United States and increase our capacity for that. It seems
like that's actually... Semiconductors are a particular area that might be an opportunity to maybe deter
China because TSMC, the world's largest semiconductor manufacturer, is in Taiwan. That prize is maybe
very attractive to China, and if it's leverage or it's market share was not quite so high, maybe it wouldn't
be quite as attractive a prize. Do you see tools like that being a useful element of an attempt to try to
make Taiwan less attractive, or maybe making it as less of a prize for China?

Elaine Luria:

Well, I think it could in a very long range scenario. I think it would take a very long time to build up a
capacity to provide that supply either in the U.S. or with our close allies. And so, I certainly think that we
should do that. We shouldn't have a dependence certainly on semiconductors or other critical parts of
our supply chain. We shouldn't have that dependence essentially on the Chinese or in a scenario-

Bryan Clark:

Adjacent.

Elaine Luria:

... where it is at risk of potential, future, Chinese actions. I think it's important to do, but I don't
necessarily know that the timeliness of it would apply enough leverage to put that into the calculation.

Bryan Clark:

Right. Right. Right, that makes sense. Another industrial base issue, pivoting back to the discussion
about readiness, is the ship repair capacity of the United States, both on the government side, when it
comes to nuclear-powered ships and then the private side, when it comes to surface combatants. It's
obviously inadequate, not because those companies suck, but because there just isn't enough capacity
because we have not incentivized them to build it up.

Elaine Luria:

They'll surge to meet the demand. I mean, if we want to build ships, we will have companies that build
yards to build those ships and I mean, you've seen that. I mean, there really are two relatively new
yards, both in Wisconsin and Alabama, that came out of relatively new programs and then now are
pivoting to additional capabilities.
Bryan Clark:

Right, but both are challenging. I mean, Austal in particular is challenged because they're running up against the end of their LCS production. They're building the new salvage and towing ship, but they're going to now have to compete with a bunch of other small Gulf Coast shipyards to get that next class of ships so they can stay in business. I think on the ship repair side, you've got some... Austal has a new repair yard actually, in San Diego, I think, but the capacity of the repair yards has not increased dramatically over the last decade. Have these companies voiced concerns to you about how the Navy runs that ship repair business and how they could better support them or what? I mean, how do you get them to grow their capacity?

Elaine Luria:

Yeah. I mean, well, one quarter of the shipbuilding and repair happens in the country, happens in Hampton Roads so our very frequently... There's lots of people are involved in this and there's two elements to it. I mean, there's the public yards and the public yards with the capacity for repair of nuclear-powered ships. And so, I thought a lot about where did this bottleneck happen? And essentially, around the time that we got to an all nuclear-powered carrier fleet, so we got rid of Kennedy and Independence and Kittyhawk, and we ended up with an all nuclear-powered fleet, was around the same time we were downsizing the number of nuclear-capable public yards as well and I think we've struggled to keep up with the demand. I think about an example; CVN 77. Right around the time I came into Congress about three years ago, I went and visited at Norfolk Naval shipyard and CVN77, the USS George H.W. Bush, was in for their first docking avail in their lifecycle.

Bryan Clark:

Yes.

Elaine Luria:

And so, when the Nimitz class was designed, that was supposed to be a 10 and a half month DPIA, but do you know how long Bush was there for? I mean, at this point in time, they were projected to be there for 27 months. I'm not sure exactly how the timing worked out, but why was that? It was a cascading thing because they had to do the MTS conversion, so converting new submarines to be these more training ships for the nuclear power training program. Getting into all the details of it, it was really just a backlog, too much work for the capacity of the yard.

And so, we've made investments a few years ago in hiring additional workers for our public yards and it was several thousand, and I think we've accomplished that, but it does take a long time for people to acquire the skills and the capacity and volume. Another thing it's modernization of our yards. I mean, if you go to Norfolk Naval Shipyard, for example, and I mention that one just because I'm the most familiar with it, having spent time there myself on the Harry S. Truman in their first PIA, which we finished a day early. As a Lieutenant, I'm like, "My gosh, everybody's celebrating a day early. This doesn't seem like a big deal," but in the big scheme of things, finishing a PIA a day early is a big deal. But we look at the infrastructure there and not only the modernization of it, but the physical impact of things like sea level rise and recurrent flooding.
I mean, some of the dry docks at Norfolk Naval Shipyard were both immediately post-World War I and so they have to have these temporary, seawall caissons every time there's a storm that is coming in on the East Coast. They have to reflood the dock and remove all the services. You had weeks and millions of dollars to an availability-

Bryan Clark:

Right, waste of their time.

Elaine Luria:

... which all... Operational commanders over here waiting for the ship to deploy. I think we need to make smart investments in shipyard modernization and we have sped that up. And at Portsmouth Naval Shipyard, I think there's some big projects underway relative to that. We need to look at that, both the facilities, the workforce, the modernization, but we also need to be able to invest in our private shipyard capability as well in order to support that. And we've gotten in a situation nuclear submarines, for example, where we've exceeded the capacity of the public shipyards so we've put some of that over to Newport news and electric boat. I think it took a long time for that to ramp up because, and I said to the folks at Newport News, "You built the submarine. Can't you just fix it?" But I understand. There's a different-

Bryan Clark:

Right, different.

Elaine Luria:

... infrastructure and capability to get that up and running but we're just demanding a lot. If you look at one carrier and refueling, one carrier finishing everything up to deploy for the first time, i.e. Ford, and we're going to be coming up on the fact that Nimitz is going to be decommissioning not that far off. And so, you just keep adding and adding and adding on top of what they're doing with building, repairing, decommissioning, refueling. There's only so much capacity physically on the waterfront and then we're trying to speed up the construction of Virginia-class submarines. And we hadn't gotten to this sooner, but it really is the most important thing is, the Columbia-class-

Bryan Clark:

Right, the Columbia-class.

Elaine Luria:

... staying on track because, and maybe this isn't clear enough in what I've seen to date in this integrated deterrence thing, but the nuclear deterrent is the cornerstone of our national defense and we have to keep Columbia on track because obviously we know that's the most survivable leg of the triad.
Bryan Clark:

Absolutely. Interesting you brought that up because of course, the shipyards building it. I mean, Newport News and up in Groton, are both challenged to build the Virginia-class at the same time, as well as now take on repair work of the LA-class, mostly. Being able to do all that's going to require investment, which has been made. There's been a lot of investment made both in the shipyards by the government, as well as in the supplier base, which is... We've put some extra care there because of this concern, in part about Columbia. I think the Navy's already looking at ways to mitigate the potential impact of a Columbia delay about what we can really do with the existing Ohio class to extend their lives and change how they're managed. That's something that might be able to be dealt with, if it does turn to be [crosstalk 00:32:42].

Elaine Luria:

I had some good conversations at Naval Reactors about how they're trying to assess these timelines and if there's anything I hear across the waterfront and ship repair it's level loading. And then if you look at just conventional repair industrial base, for example, across the waterfront in Norfolk, and all of a sudden you come out with a budget that says, "We're going to decommission seven cruisers." We're going to do all this to build it up, build a workforce, build a workforce that can support all of these modernizations and then just pull the plug. And so, you really get in a situation where you're spending a lot of money to build capacity, to build the workforce, yet there's a sign wave and not a predictable one either.

Bryan Clark:

Right, and for the private yards, that's really hard because they are completely funded by private money and they're dependent upon each one of those contracts coming from the government for availability, or set of availabilities, which we've vacillated on the contracting mechanism we use for that from multi-ship contracts, to single ship contracts, to now a hybrid between the two. And it's hard for them, I think, to make those capital investments and be able to invest in workforce in an environment where it's hard to hire people on the spur of the moment.

One other question on the shipyard. There was news earlier this week, or I guess last week maybe, there's a consortium in Ohio that's looking to build a nuclear-capable shipyard on Lake Erie and a depot to go along with it to do repair work, or I guess, foundry work or work on equipment. What do you think about the need? I mean, the need, I guess, is pretty apparent. There's a need. It'd be nice to have another shipyard. What do you think about the path forward on that and is this something that's... Getting a fifth shipyard, is that something that the DOD should be looking at, whether it's there or somewhere else?

Elaine Luria:

Right. No, and I'm a little familiar with some of the people who are working on that project, provided me some background information on what they're thinking so I do think we need to increase capacity. I don't know if there or somewhere else is the answer. I think a lot of careful analysis went into that based off of available workforce and an industrial capacity within the region and that's maybe why they centered in on that particular area as an idea. I do think that the Navy needs to carefully analyze where
they can grow capacity. I don't know that there's any additional capacity that can be grown within the current public shipyard. I do think that... I mean, and as we increase the number of submarines, we're going to be in need of more Virginia-class and then obviously the demands of the current LA and Ohio and other class severance that we have to continue to maintain through the rest of their service life.

Bryan Clark:

Right, right. And then decommissioning demands are going to be rising as well as you noted, with the Nimitz retiring. We don't have that down yet either.

Elaine Luria:

Well, and it's a question I've asked. I mean, can you refuel an MS class carrier another time? And we're at the end of the production line here for the refueling of the cores that will eventually refuel 77. It's a decision that has to be made relatively soon. It was pretty cool. I got to go out to Lynchburg at BWX and actually see them building the course. As a Navy Nuke, it's probably pretty nerdy, but actually-

Bryan Clark:

Oh, that sounds great.

Elaine Luria:

... see how they build them. But there is consideration of once you shut down a production line like that for A4W core-

Bryan Clark:

Yeah, you don't start that up.

Elaine Luria:

... it's not viable to start that up again so can something like that be considered? I understand that the Navy is looking at those options and I would really like them to be very forward leaning on extending service life of current platforms with conventional and nuclear, if possible, because like I said, there's an urgency and timeliness to this, and we can't just build an entire new fleet in five years.

Bryan Clark:

Right. Well, and it gets to this issue of coming up with creative solutions to address an urgent problem. Those are all things that should be on the table, but what we see coming over the transom from the Navy is generally divest to invest. We're looking into the future, like the 2030's or where we solve this problem, which has always been the case. It's always been the next decade's when we solve the problem. Let me turn to a couple of audience questions, if that's okay. I'll call on you. If you could identify your name and affiliation and then ask your question. We'll start here with this young man in the front.
Justin Katz:

Justin Katz. With Breaking Defense. I wanted to ask both of you to dwell on a comment from the chief of the French Navy. He made it just yesterday. I think it was at CSIS. He was asked about the Russia-Ukraine situation and his assessment is that there hasn't been any abnormal activity from Russian Naval forces in the Black Sea. They've been sending their ships in and out, but they've done that for the past decades. We're not concerned. Well, he didn't say, "We're not concerned," but he said, "There's no abnormal pattern of life." I wanted to ask, does that surprise you? Does it not surprise you? And also, he mentioned that the focus and the national discussion right now is obviously on the land forces, for obvious reasons. Is there a discussion about Naval forces in the Black Sea that should be getting more attention, that is not getting attention, so on and so forth?

Bryan Clark:

I have some thoughts on that. The Russians have been very creative, or they've been very thoughtful about how they've been ramping up their level of activity in the Black Sea over the last decade, so that we've become acclimatized to it. And now, yes, today isn't that much different than it was maybe three months ago, but that's a much higher level of Naval activity than existed 10 years ago. And so, it's been ramped up this entire time, including submarine operations, which in theory, are not allowed into the Montreux Convention, but apparently, you can argue, you're making a port call and your home is in the Black Sea that you can do it. There's a lot of activities they've been undertaking that are skirting the existing rules and ramping up their presence in a way that allows them to establish a position of Naval superiority in the Black Sea relative to other players that might operate there. Yeah, they've done a good job of that and I would argue that this is a higher level than in the past. It's just not in the near term past.

Elaine Luria:

And you mentioned the Montreux Convention, and one of the questions that I've frequently been looking at and trying to understand with Turkey, although a NATO ally, there have been some recent overtures between Turkey and Russia with missile purchases and different things. I mean, are we still able, as the United States and as NATO countries, to have access to the Black Sea? Do those limits that have been placed under that convention, do they still make sense and at what point should we question or examine that? And really, the response I've gotten back is that there has been no objection or interference from Turkey with our free access to the Black Sea with following the protocols that are in place, but the ability... It's a different situation in what Naval presence could you have long-term in the Black Sea for non-Black Sea nations?

And I don't necessarily have the day-to-day data of what ships are operating, specifically in the Black Sea, to see the trend as far as the Russians or other countries, but I think it's important to observe that. And then something else is the Russians have become incredibly aggressive recently. I mean, we all operate under INCSEA (Incidents at Sea Agreement) and, even known back to be an ensign. I remember as an ensign on a DD in the Western Pacific, the first time we encountered a Russian vessel in the INCSEA (Incidents at Sea Agreement) and the statements that you make essentially about maintaining safe operations and distance, but they've been really aggressive, both with their aircraft and their
surface ships and how they operate relative to U.S. and other... I've seen videos with British ships as well. I am curious, and if you have thoughts on why they've taken that posture of being so aggressive-

**Bryan Clark:**
Yeah, they've certainly-

**Elaine Luria:**
... in international waters.

**Bryan Clark:**
... right, moved away from the more collegial nature that we saw during the Cold War, I think. Robbie, would you like to weigh in on that? Oh yes. Here comes the microphone. While he's getting that, one other thing to note, is that Romania, being a Black Sea nation and a NATO ally, is a country that the U.S. has been trying to foster more maritime capability there, including using UAVs like the MQ-9, or something to do better maritime surveillance of the Black Sea.

**Robbie Harris:**
Robbie Harris here, I guess I'm wearing the hat today of the SDG coordinator, as opposed to other hats. If I may double dip and ask a two part question. Brian, you said a few minutes ago that so far we have not exercised the military tool for weapons vis-à-vis Ukraine, but I would remind that the Harry S. Truman strike group has chopped to NATO and I think that is quite significant. Now, when Congresswoman Luria spoke with SDG this past summer, the seventh fleet carrier had been dispatched to CENTCOM and you did not like that one bit. I think now the Harry S. Truman being chopped to NATO doesn't bother you at all, right?

**Elaine Luria:**
No, I think it is part of a routine deployment for the Harry S. Truman strike group, but they have continued to operate in the Mediterranean and that general area, rather than a lot of previous deployments we're chopping to fifth fleet because we were maintaining a continuous presence there. And then shifting to seventh fleet, I mean, if you saw the pictures recently, probably the largest Naval flotilla any of us have seen in a long time with two carrier strike groups, two ARGs and the JMSDF all operating together in the South China Sea. I mean, definitely has been an uptick in presence in the Pacific since that last conversation we had.

**Robbie Harris:**
Good. Thank you for that. Now shifting to PACOM in Taiwan. Congressman Gallagher has an article that was online today from Foreign Affairs, quite a long one, and he cites you in it as well, and he offers any number of recommendations for what could be done, should be done, to ready Taiwan. That's just a statement. A colleague of ours in the SDG has argued now for weeks and weeks and months and months that it is simply impossible for China to mount an amphibious landing in Taiwan. They can't do it today.
They probably can't do it in 10 years. Now they can launch missiles and they can do all sorts of cyber things, but they cannot do an amphibious landing successfully. Would you comment on that, please?

Elaine Luria:

I mean, I think that we should not take for granted, their will and their capability to do that. I mean, we know that they do annual exercises every year. We watch that and all we have to do is see them turn right instead of left one time and cross the street. I mean, they have the tyranny of distance on their side. They'd be defending on their homefront. I mentioned really before it's even a question of whether we have ships there to do anything, we don't have the legal authority for ships that we do have, even if they were sailing through the strait that day to respond. I think that there's a lot that we have to do on our side to set our policy. I think that, like I said, we need to move beyond strategic ambiguity and create strategic clarity saying that United States will react in order to maintain the status quo and we need to have the forces present in the region to react with a timeliness in order to do that.

And we need to have the debate in Congress now, not when they're halfway across the street with their amphibious craft because of the timeliness of that and the short distance. And so, there was an article that was just published yesterday, or the day before in Nikkei Asia, where an academic, who's a very close advisor to President Xi had commented, essentially confirming the Davidson Window. Mike Gallagher likes to call it the Davidson Window. But he did attribute the Battle Force 2025 in that article to me, so we're back and forth, but I mean, the good thing is we share each other's views and, I think, we're trying to amplify each other's views on this, within that timeframe and that they could do it.

My opinion is that the purpose of a deterrent is to make sure that the country, contemplating doing something, the cost is too high for them to do it and they think that they're going to face too much opposition, too much loss in the face of trying to do that. And so with our current presence, with our current legal and political statements of ambiguity, I think the Chinese see this as a very clear window where they can act and they're building a fleet to do that, and whether it's a combination of amphibious and missiles and cyber and all of the other tools that they could have at their disposal, I think that they think that they can do it and they will do it in a timeframe where they think they can do it quickly and it won't be protracted and they can do it before we can show up.

Robbie Harris:

Thank you.

Bryan Clark:

If I could add. I mean, you got a country of 1.4 billion people with the world's largest navy, the world's largest SEAL force, with the largest fleet of ocean going carriers. There's no reason why they could not invade Taiwan, and it may not be amphibious. They may pull up to the port in Taipei and say, "We're here. We're offloading all these guys. What are you going to do about it?" There's a lot of ways they can go about this that don't involve people running up the beach on the west coast of Taiwan following some kind of bombardment. I think we got to make sure that we cage ourselves around the capacity of this country and the fact that they may not do this in the way that we would've done it in 1945.
But to your point, it's about making the uncertainty high enough to where they feel, "Yeah, it's going to be too messy. We might lose face if it doesn't go very well, if it goes slowly or it gets somehow disrupted by U.S. efforts." I think a discussion about denial sometimes makes people think that we could just stop them from doing something [inaudible 00:47:08], which may not be true, but it's maybe more about increasing on the uncertainty then the likelihood that they're going to find it to be that costs are too high for the effort.

Speaker 5:
Stand by for an email from [inaudible 00:47:19].

Bryan Clark:
He is more than welcome to send it. Other questions? Tom.

Tom Callender:
Yeah-

Bryan Clark:
Make sure you say your name and affiliation.

Tom Callender:
Tom Callender, General Dynamics. In the question, and I think you touched on this a little bit at SNA, your speech there with Representative Gallagher, we look at the INDOPACOM. We look at the threats there and I think everyone agrees it's more of a Naval presence there what's needed, yet we're hearing that the next budget probably going to be worse for the military even more. I guess your thoughts on is now the time? Do we really need to break away from this unwritten one third, one third, one third, and say, "Hey, the Navy should not have to make some of these hard choices. It should be made more across the Department of Defense." And I guess your thoughts then in Congress and trying to help the administration in that piece with that.

Elaine Luria:
Unequivocally, yes. I think more resources need to go to the Navy and the Air Force because of the nature of the theater in the Pacific. And I think that essentially, when the services come to Congress and they can't explain why they want what they are asking for, why they need it, what role it's going to play, and what the risk is of not doing it, and then really not even coming and asking for everything that they need, I mean, it's just baked in. Here's the top line. Split it in thirds. The Navy gets their piece of the pie and they come to us with the best they can do with what they think they're going to get. It's all backwards. I mean, there should be a strategy. The strategy drives the requirements. The requirements drives the plan. Plan drives the budget. I think it's all backwards the way it's working now.
Elaine Luria:

And so, they don't really come clearly articulate what the requirements and what the risk is of not supporting and funding those things. Without that, there really isn't a big impetus in Congress. If they come and say, "740 is what we need. Here's what we need," and if you don't have people who push... The going into last year's NDAA was that we needed to see three to 5% real growth. Well, that's not what came over from the White House so we kept pushing it and we kept seeing what got left off. And so, it doesn't actually have to just continue to be additive, but really, the only way I saw a path forward that was even remotely acceptable with regards to the Navy, and when I say that just to stop the hemorrhaging, was we needed to build two DGs.

We needed to invest in speeding up the Virginia-class submarine construction. We needed to invest more in Pacific Defense Initiative. We needed to preserve some number of cruisers. I would've liked for the language is at least three so there's some flexibility there. But it shouldn't just be up to Congress to tell the Navy, "Hey, we really want to give you more and let us decide what that is." I mean, the Navy, the services should be coming to Congress and telling is what they really need in the current environment. And if you look at how it played out last year, it really took a bipartisan effort. But everyone on the committee, including the committee chair was not on board with just defacto adding that 25 billion.

I mean, I went behind, chairman's back a little bit with Mike Rogers from Alabama to get Democrats on board, some number of Democrats to make this bipartisan and add it. And if there's somewhere in Congress today where you have bipartisan consensus, which is like, you need to add more to the defense budget to support the Navy, let's lean in on that because there's not a whole lot of areas right now where there's that agreement.

Bryan Clark:

Other questions? Yes, sir.

Peter Huessy:

Peter Huessy. I'm here with the Hudson Institute. With the prospects for the fiscal year 22 defense budget, that's in a CR now that expires in February, are we going to get a full up that's going to reflect the NDAA plus up?

Elaine Luria:

I think that we're on track for that. My understanding is that we are. Now I am not sure right now that we're on track to come to that agreement to make that happen when the CR runs out on February 18th. There's nothing worse than CRs, other than a... I mean, a shutdown is worse, but I mean, CRs, even the benefit of the 25 billion we've added, we've already lost because of the number of CRs that we've had so far, this five months into this fiscal year. But I think that my understanding, the four corners negotiations happening in the House and the Senate is that will be where we land. I just don't know how long the negotiations will take to get us to that point.
Bryan Clark:

One more question. We have time for one more question.

Timothy Walton:

I've got one before we go. Timothy Walton with the Hudson Institute. Thank you for coming Congressman Luria. Last year in the president's budget proposal, DOD more or less ignored the INDOPACOM Deterrence Initiative language that recommended heavy investment on resilience initiatives. Have you had an opportunity to speak with DOD leaders regarding trying to focus to a better degree on the spirit or intent of that language in this year's budget proposal?

Elaine Luria:

Not specifically with the upcoming budget. I mean, they keep it in this cloak of darkness until they put it out, but I have definitely emphasized the importance of that and I think we also, redoubled on that by adding additional funds to the Pacific Defense Initiative in the plus up we did in last year's NDAAA. And then I think that, going back to the whole of government aspect of it, I think that there's really a lot that we need to do in the Pacific and with Pacific, our compact nation partners, such as Palau, for example, and Micronesia that there's commitments and investments that we need to make in those places that may not be defense-related at all. But truly, they want to stay aligned with the Americans.

But when we make a commitment, for example, to fund an elementary school and spend a million dollars to help them build or repair a school and we don't follow through on that commitment, those are minuscule investments that can go a very long way. And if you have somebody else who comes knocking with 10 million to say, "Not only are we going to repair this school, but build you three more schools and a park and a baseball field..." I mean, I think that we really have to be better partners in those relationships, not only on a military side... I mean, we can't just come knocking when we want to say, "We want to put forces here or we want to expand your port so our ships can operate here," but we really need to foster and deepen those relationships on many levels. Ed Case from Hawaii has some legislation called the Blue Pacific Act, and it actually is included.

It may, and the rules hasn't put it in order yet, but looking to be included in this legislation we're looking at passing this year, that really focuses on those investments that we can make with Pacific partners to strengthen these relationships. There's that, and then there's the hard things like missile defensive at Guam and the specific things. And I really think that there's a place for the combat and commanders to have more of a role in the process of defining the budget. And so, long-term thoughts and plans I have, and I may have brought this up before, I mean, I think we're about 35 years on now in Goldwater–Nichols and I think that a lot of the processes that have been put in place need to really be closely examined and determine if we are really, the way our process works now, is making the best investments that have the biggest impact for limited resources and best reflect what the combat and commanders know they need in their theaters.

Bryan Clark:

That's a really good point. That's something we've been arguing in some of our recent studies, is the fact that the suppliers side of DOD needs to be more tightly coupled with the customer side of DOD, which is
the combat and commanders. And right now we treat the combat and commanders as the unnamed, unseen person that receives whatever it is we deliver to them without really thinking too much about what is exactly they need today and how do we better integrate those forces and provide them to the combat and commander to be used. Tying that supplier-customer relationship better would be certainly an improvement that we can make and I think one of the things that's happening in this year's NDAA that did pass recently was the mission manager, mission integration, pilot program. That was something we've been advocating.

That's one area of improvement, trying to get the customer and the supplier are tied together more. Well, thank you very much, everybody, for being here. We really appreciate your questions and your attention and your presence here today, and braving the cold and coming out here today. Thank you very much Representative Luria for being here. It's been terrific to have you, and once again, talk about where we are, and hopefully some of these ideas will start percolating over into the Pentagon and we might see them in this year's defense strategy and budget.

**Elaine Luria:**

Yes. Well, thank you for having me again. I always enjoy these conversations.

**Bryan Clark:**

Excellent. Well, thank you all for being here, and from the Hudson Institute, have a great day.