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SUBJ/C-Note #3: World-Class Fleet//

RMKS/1. History proves that great nations are built on the strength of great navies. And today, our Fleet stands as the world's premier warfighting force - ready, capable, and unmatched. But we are more than ships, aircraft, and weapons. Our Sailors - battle ready, trained, resilient, and forged in the Foundry are the engine that empowers our Fleet. Through their strength, we command the seas, deter aggression, defend our homeland, and when called, deliver decisive combat power. This is what makes us a world-class Navy - second to none.

2. The Fleet is our most decisive instrument of national power and serves as the differentiated value our Navy brings to the Joint Force: expeditionary reach, unmatched mobility, and persistent presence that promotes our vital interests, protects the global commons, and wins our Nation's wars. Comprised of People, Platforms, and Payloads, the Fleet spans across all domains. To our Allies, it serves to reassure. To our Adversaries, it deters and shapes behavior. To all, it is a signal that freedom of the seas is non-negotiable and will never be surrendered.

3. As threats evolve and the world grows more complex, we will continue to build an integrated, all-domain Fleet - capable of conducting sea denial and, when needed, sea control within the battlespace and at decisive global chokepoints. This means fusing maritime, cyber, space, and undersea capabilities, and integrating Joint and combined forces to dominate across the spectrum of conflict. In short, we will not only design our forces to fight and win, but to outpace emerging threats through smart and cost-effective "hedges" to lower the risks faced by our general purposes forces while increasing survivability and lethality.

4. To that end, building a Fleet to cover every possible threat is too expensive, unrealistic, and sub-optimized. Instead, I have directed the development of a new Navy Strategy. Built on the fundamentals from our Navy Warfighting and Deterrence Concepts, this new effort introduces an enduring "Hedge Strategy" - designed as an approach that reduces operational risk by investing in Tailored Offsets and Tailored Forces as a way to amplify and synergize our general purposes forces to more effectively address low probability-high consequence contingencies.

5. At its core, our Navy is already a collection of "hedge" forces and concepts: risk-informed decisions about where to invest and how to fight while weighing the probability of occurrence in terms of severity and loss. For example, "Hellscape" is a use case of the generalized Hedge Strategy. Naval Special Warfare is our hedge against low intensity and irregular

warfare threats. SSBNs and E-6Bs are our hedge that deters strategic attack with less than eight percent of the Navy. And our Navy-Marine Corps team itself, has and will continue to serve as the Joint Force's global hedge - forward deployed, postured, and ready to respond to a variety of threats at a time and place of our choosing.

6. Tailored Forces are logical groupings of tailored offsets that strengthen our general purpose forces. The Global Maritime Response Plan (GMRP) and associated Readiness Conditions (RESCON) provide tailored force packages that are Combat Surge Ready (CSR) in support of our Combatant Commanders through tailored certifications to execute specific missions. This is in run today as we continue to work to achieve our 80 percent CSR goals for all platforms.

7. Further, we will also invest in platforms, sensors, and weapon systems built with modularity that are scalable and ready for rapid upgrade. We will accelerate the delivery of integrated, networked capabilities - including unmanned systems, Artificial Intelligence, and resilient Command and Control (C2) architectures to ensure decision advantage and guarantee our overmatch in contested environments around the world.

8. Many of our Navy's toughest challenges cannot be solved in one year or even across one five-year Future Years Defense Program (FYDP) budgeting cycle. These types of longer-range problems (e.g., spare parts, critical munitions, foundry improvements, shipbuilding, and depot repair enhancements) require time horizons and funding profiles with trajectories that balance fiscal realities to operational risk.

Therefore, I have directed the development and use of multi-year/multi-FYDP "funding curves" to ensure sustained investment in the capabilities at the required capacity our warfighters need.

With clear "commitment to the curve" - I will prioritize the required sustained investments necessary to solve many of the problems that have hampered our Navy for decades.

9. The Administrative Chain of Command (ADCON) is comprised of subject matter experts who form the best force generators in the Navy. Over time we have drifted into commingling force generation and force employment with overlapping C2 structures that lack clear accountability. Therefore, we will review existing C2 structures from an operational task perspective and align C2 to the risk owner.

Additionally, we will review and align force generation responsibilities to ensure we are following the "Standard Model" of excellence. This will ensure that we clearly delineate the role of the appropriate Type Commander (TYCOM) to the Fleet Commander with clean and accountable hand-offs between force generation and force employment of their forces.

10. Additionally, to most effectively counter the pacing threat that the People's Republic of China presents, CTF-54 will be separated from CTF-74 allowing each to hone their focus on specific undersea mission sets, particularly in our most challenging threat environments. CTF-54 will be dual-hatted as Commander, Submarine Squadron 21 in Bahrain. To support the new CTF-54, primary broadcast control authority and submarine operating authority duties (e.g., waterspace management) will be shifted to Commander, Submarine Group 8 and CTF-69 in Naples, Italy. To support CTF-74 more fully across the Western Pacific Area of Responsibility, we will be assessing the establishment of Task Groups to enable clear and unambiguous C2 lines of operational accountability.

11. Fleet Improvement Offices (FIOs) are driving a culture of continuous improvement, intellectually honest assessments, disciplined execution, as well as improved operational risk management and accountability. We are codifying this through a new instruction, under the Office of Warfighting Advantage (OWA), to scale FIO practices across our Foundry, Fleet, and Fight priorities.

12. Built in the Foundry - Tempered in the Fleet - Forged to Fight.

13. ADM Daryl Caudle, 34th Chief of Naval Operations sends.//

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