

SAME/ACEC/CMAA Conference Keynote Remarks
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Intro / Opening / Thank You

It's great to be here with the SAME, ACEC and CMAA and great to see folks; we appreciate the opportunity to interact with you and learn more about your challenges and opportunities.

First, some of you may know me; I've been with the Department for nearly six years now. In April Assistant Secretary Meredith Berger and Secretary Carlos Del Toro appointed me to be the Principal Deputy - Assistant of the Navy for Energy, Installations and Environment. This is a different role, in which I provide direct support to the Assistant Secretary and the Secretary of the Navy, for all matters related to the portfolio.

This morning, I'd like to split my remarks in to two principal areas: 1) what we are working on, and 2) where we could use your help.

The Department operates 96 installations around the globe that contain \$500 billion of buildings, structures and real estate assets, investments made on behalf of the American taxpayers to help generate, project, sustain, and rebuild our military capabilities. While possessing a broad and dispersed portfolio of small cities around the world has many advantages operationally, it also presents challenges. In particular, our ability to sustain and subsequently modify our infrastructure to meet rapidly changing transformation occurring in our warfighting requirements, for example integration of the MQ-25 unmanned aerial refueling capability into a carrier air wing, or integration of electric vehicles into our operating fleets.

That pace of change will only increase. It will impact how we train, how we fight, deploy and respond to threats. And it demands we have the different view of the infrastructure we design, build and employ for the Department.

We depend in large measure on the might of this nation's commercial sector as partners to help achieve our goals. I see this as an opportunity to identify and implement solutions that may be a bit disruptive at first, but as time goes on creates better, more effective approaches that are right for our Department and the Nation.

What we are working on:

As a Department of the Navy leader, helping guide the Navy and Marine Corps teams, I work to work to help bring to life Secretary Del Toro's vision for the Navy. The Secretary has been clear about what we are "working on". He has articulated three priorities for the Department of the Navy which drive our investment and decision making. While this may seem a bit off point for our forum this morning, it underpins every action we take and therefore is important to understand.

1. Strengthen Maritime Dominance; the Navy and Marine Corps team provides the Joint Force Commander responsive, combat-ready naval expeditionary forces. Those force operate forward while preparing for tomorrow's challenges. Naval forces are the Nation's force-in-readiness; most ready when the nation is least ready and a leading force for military diplomacy. Navy-Marine Corps enduring functions: power projection, crisis response, sea control, maritime security, & sealift are foundational to

strategic stability. Seapower's strength comes from inherent mobility, self-reliance, and survivability.

2. Empower our People; naval forces must possess a culture of warfighting excellence built on Leadership, Dignity, & Respect; this extends to every aspect of recruiting, retaining, mentoring and promoting the best of all of our Nation. That respect means each of us must work tirelessly to create a more resilient, agile and innovative military / civilian team and care for our military families. We confront problems and take action when we fall short demonstrating ethical leadership at every level and we promote a culture of problem solving and innovation.

3. Strengthen Strategic Partnerships & Alliances; the nation's industrial base is critical to naval strength and capacity; we are seeking to find ways to expand industrial partnerships, particularly with small business. Our network of allies and partners is an advantage our adversaries can never match. Finally, remember our most important partnership is with the American people.

One additional point I'll make: the Secretary of the Navy has been clear he views climate change as an essential aspect of maintaining maritime supremacy. In his words, "Climate change is one of the most destabilizing forces of our time, exacerbating other national security concerns and posing serious readiness challenges"

To confront this challenge, the Department has been given two performance goals:

1. Build Climate Resilience – To ensure that our forces, systems, and facilities can continue to operate effectively and achieve the mission in the face of changing climate conditions, and worsening climate impacts.

2. Reduce Climate Threat – The Department must reduce its greenhouse gas emissions and draw greenhouse gases out of the atmosphere, stabilize ecosystems, and achieve, as an enterprise, the nation’s commitment to net-zero emissions by 2050.

Our current portfolio of investments does integrate these principals, looking to the future that includes these destabilizing forces. Our structures are built out side of flood prone areas or to higher seismic standards, where we must build in them, adapted to ensure critical elements like mechanical and electrical systems won’t be impacted. We’re doing this now – with each new structure we build or renovate. With over 150,000 structures in our inventory, success here will take time. Where we have opportunities to reconstruct after disasters, like China Lake or Camp Lejeune, we’re integrating resilience features in each new facility. This will continue across the Department – your input in the form of early involvement in the design or scoping process can help move the needle on this front.

Modernizing our Shipyards

It is no secret the Navy’s shipyards are old and badly in need of investment. We also have begun to understand how underinvestment in updating our physical plant influences maintaining the current fleet of nearly 300 ships, both in terms of cost and schedule.

The Navy's four public shipyards -- Norfolk Naval Shipyard (NNSY), Portsmouth Naval Shipyard (PNSY), Puget Sound Naval Shipyard and

Intermediate Maintenance Facility (PSNS&IMF), and Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility (PHNSY&IMF) -- perform a vital role in national defense by executing maintenance on submarines and aircraft carriers in order to provide combat-ready ships to the fleet.

Originally designed and built in the 19th and 20th centuries to build sail- and conventionally-powered ships, the Navy's public shipyards are sub-optimally configured to maintain and modernize nuclear-powered aircraft carriers and submarines.

Timely maintenance in our four public shipyards impacts the availability of ships, particularly the fleet of aircraft carriers and submarines, which are essential elements of the nation's defense and security.

To create the shipyards that our nation needs requires making significant investments to modernize dry docks, optimize industrial processes and modernize standard equipment to bring these critical industrial sites to modern standards. The Navy has undertaken this effort – termed the Shipyard Infrastructure Optimization Program, or SIOP for short, by establishing a program office in May 2018 and more recently converting it to the Program Executive Office led by a two-star admiral. SIOP is a centrally-managed program led by Naval Sea Systems Command (NAVSEA), with support from Naval Facilities Engineering Command (NAVFAC) and Commander, Navy Installations Command (CNIC).

NAVSEA is the operating agent and the technical authority for all four shipyards, executing the capital equipment program while NAVFAC provides facilities engineering and construction programs, supports

environmental and compliance requirements and retains head-of-contracting-activity authority for facilities and dry dock investments.

This is a multi-billion dollar, multi-decade program that will require the very best from our nation's architects, engineers and construction industry.

We'll be working with tight schedules that require accommodating ongoing maintenance requirements while construction progresses

Beyond SIOP –

The Department also understands the need to update our organic depot industrial facilities remains; aviation maintenance is similarly challenged – sustaining 5th generation aircraft in, well, not even a “generation” rated facility. Most of the facilities we're operating from were built to maintain, construct or repair pre-jet-powered aircraft. The Marine Corps' ground maintenance depots also need investments

Where We Could Use Your Help

Building Resilience:

DON has been shifting to installation resiliency for a long time - this is NOT new. We have historically conducted a wide variety of vulnerability assessments, including: utilities, physical security, energy security, and more. The Services have been aligned with DOD Mission Assurance programs for Defense and Task Critical assets - and are actively managing mitigation actions for those. This addresses only a small percentage of our most critical facilities – those which house our most sensitive operations or are part of the nation's highest priority security missions.

Navy and Marine Corps have responded to emergent threats over the last decade, including cyber threats, threats to disruption of energy and utility systems, unmanned aerial systems, and sea level rise.

Our challenge is to fully understand the threats, their likelihood, their consequences, and our capability to respond if we are impacted..

We are not short on opportunities to make an important difference – the Department’s leaders are prioritizing our time, resources, and talent to prudently navigate through these challenges.

Here's what DON is doing in response to some of these emerging threats:

Cyber. We are leading the way for DOD On responding to cyber challenges to facility and utility related control systems. We have hired cyber security professionals across our infrastructure domain - not as many as we need, and we struggle to retain them, but we've put resources against the problem.

Implemented cyber hygiene protocols. This is the simplest and most effective, yet least cost step that make us a harder target.

Developed, and are implementing a platform enclave to isolate our systems from vulnerabilities

Physical Security. In response to tragic shootings at the Washington Navy Yard in 2013 and Chattanooga in 2015 we have:

- 1) Increased the number and quality of our security forces
- 2) Implemented several facility solutions (glass, alert mechanisms, doors, entry controls, other) harden our facilities, including at reserve and recruiting centers.

- 3) Revamped policies for employee screening, and
- 4) Increased insider threat identification and active shooter response capabilities.

Energy. We've increased emphasis on energy resiliency, with focus on:

- 1) Distributed generation from all energy sources
- 2) Micro grids
- 3) improved partnerships with energy providers
- 4) Collaborating to ensure our projects jointly benefit our installations and the surrounding communities (Yuma EUL for distributed generation as an example)

Designing and Building efficiently:

This is probably my biggest request of the industry – to help us figure out how we can construct, operate and maintain buildings in a ways that:

1. Minimize the time it takes to acquire
2. Moves away from “bespoke” solutions, particularly to repeatable structures; for example building three hangars across several bases to support new platforms, why are we procuring distinct, customized designs for each structure. Is there some way we can create an incentive to use off the shelf capabilities? Is there something we can do to benefit designers of record if their finished effort results in and a demonstrable savings of time in construction?
3. Are we making good material choices? Are there products – particularly surfaces exposed to the elements – that we may invest a

bit more up front to procure, but in the long run save us time and money in sustainment?

4. Are there ways we can structure procurements that create the right kind of incentives, and reward good outcomes – something that moves us away from the Least Price – Technically Acceptable model?

Buildings as a Service –

This is a model I think worth exploring; it represents challenges in terms of how we classify the “as a service” part of the equation. Having been ensconced in auditing our financial records – yes, you heard that right, a professional engineer undertaking certified public accountant like duties – but I’ve learned there are certain accounting rules that will result in the “as a service” viewed as a Lease. This may or may not be problematic – it does represent a challenge we’ll need to work through. I just highlight this as one of many ideas I received from industry that deserves additional time, attention and consideration as a means to help better enable our forces to prepare for and conduct operations.

5G Pilots and Applications –

We are witnessing small cell wireless technology as an enabler of warfighting capabilities. From training individual Sailors and Marines as part of generating the force, to the complex maintenance requirements of nuclear powered aircraft carrier. We see limitless opportunities; and we welcome applications that enable us to focus on the readiness of our force.

Marine Corps Logistics Base Albany, we are testing to optimize the 5G Testbed there; this is focused on warehouse technologies – and we're excited about the possibilities here.

Naval Base Coronado, the 5G team has completed testbed installation for a new server room and antenna installations that are in progress. The testbed vendor plans to test and accept radio access network components.

NAS Whidbey Island, WA we've completed a preliminary design review for the 5G testbed at the contractor's facility in Colorado. The Hawaii 5G testbed contractor expects to construct the private 5G network over the next year, but plans to have public 5G network access available in Q3 FY22.

Naval Post Graduate School in Monterey, the team began testing of a recently installed 5G network that incorporated millimeter wave antennas.

I'm sure there is more – probably much more I could cover; but I want to get to what's on your mind. I look forward to your questions. Please know how much we appreciate your partnership. I am grateful for your support to our institutions. Our Navy and Marine Corps benefit from your efforts every day, we appreciate your partnership and thank you for your support.