CNO on China: Shipbuilders Can Expect High Revenue for Foreseeable Future



Chief of Naval Operations Adm. Mike Gilday salutes as he passes through sideboys while visiting the Arleigh Burke-class guided-missile destroyer USS Rafael Peralta (DDG 115) moored at Commander, Fleet Activities Yokosuka. *U.S. NAVY / Mass Communication Specialist 1st Class Deanna C. Gonzales*

SIMI VALLEY, Calif. – The defense contractors who run U.S. Navy shipyards can expect plenty of revenue in the coming years as the Navy faces off with China, Chief of Naval Operations Adm. Michael Gilday said Dec. 3 at the Reagan National Defense Forum here.

Addressing a question about the U.S. Navy's ability to counter China, Gilday said that the Navy had submitted to Congress the "largest shipbuilding budget in the history of the United States" at $27.5 billion, and that is likely to continue for

the foreseeable future.

“You cannot throw much more money at the seven shipbuilders that build U.S. warships in the United States of America right now,” Gilday said. “Their capacity is about at max, and Congress is helping us max them out. I would say the same thing for weapons production.”

Gilday said that the Navy is very focused on supporting industry during this ramp-up in weapons production.

“If you take a look at our budget and where we’re putting money, we are trying to send a very strong signal to industry that we need consistent, stable production lines for weapons with range and speed for a long time,” he said.

Gilday did not directly answer the moderator’s question about whether the Navy was prepared to counter a Chinese move on Taiwan, instead opting to tout the Navy’s presence across the globe and readiness to react to any developing situation.

“About a third of the Navy is at sea today,” Gilday said. “We have more ships in the European theater than the rest of the NATO nations combined – more than 25 ships. … We have ships right now in the Taiwan Strait and the South China Sea.

“We have significant overmatch in that domain against any competitor,” he added.

He also appeared to imply that the U.S. Navy was in constant contact with the People’s Liberation Army Navy (PLAN).

“The U.S. Navy is in contact with peer competitors on the sea, under the sea and in the air every single day,” Gilday said. “You see snippets of it with ships going through the Taiwan Strait and going nose-to-nose with Chinese ships. You see it with our aircraft in the eastern Mediterranean or by the Sea

of Japan with the Russians.”