



# REAGAN NATIONAL DEFENSE FORUM

## RESTORING DETERRENCE WITH PEACE THROUGH STRENGTH

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### **Harnessing Innovation to Enable Lethality: Modernizing Business Systems and Overcoming Contested Logistics**

#### **Moderator:**

- Mr. Colin Demarest, Axios

#### **Panelists:**

- Ms. Tara Murphy Dougherty, CEO, Govini
- The Honorable John Phelan, U.S. Secretary of the Navy
- General Kenneth Wilsbach, Chief of Staff, U.S. Air Force

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#### **Colin Demarest:**

Hello everyone. I am Colin Demarest, I write Axios Future Defense. As I describe it, it is the best newsletter in the game, I will let you decide if that is true or not. I am on stage today with General Wilsbach, the Air Force Chief of Staff, Secretary [John] Phelan, the Navy's top civilian, and Tara Murphy Dougherty, the CEO at Govini, a defense tech unicorn, I hear.

#### **Tara Murphy Dougherty:**

That's right.

#### **Colin Demarest:**

Fantastic. We have about 35 minutes. We'll take audience questions, so if you have 'em, definitely send them my way. They'll land here and I'll work them into the conversation. And if you guys are game, I think we should just jump right in.

#### **Kenneth Wilsbach:**

Do it.

Note: The following is the output of transcribing from an audio recording. Although the transcription is largely accurate; in some cases, it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the 2025 Reagan National Defense Forum but should not be treated as an authoritative record.

**Colin Demarest:**

Fantastic. General, to you first.

**Kenneth Wilsbach:**

Alright.

**Colin Demarest:**

Fly, fix, fight, and readiness were the first two bullets in your one-page memo to airmen when you joined in November. How do you plan on course correcting the Air Force while the fleet is aging, mission capability rates are declining and the size of the fleet itself is also shrinking.

**Kenneth Wilsbach:**

Right. Well thanks for having me to the stage with you and appreciate the question. The first thing is, why do I say this? The most important thing we do is fly and fix airplanes and it's so that if we get called, we can fight and win our nation's wars. And so what is it that we need to do? Well, first of all, I task the commanders to pay attention to maintenance because of the fly and fix, fix is the most important part because if you have them ready to fly, then you are getting reps and sets and your force is proficient and you establish a deterrent value. And so having commanders pay attention to maintenance every single day is really important. The other thing we need to do is invest in weapon systems sustainment as well as parts both for new and aging aircraft. They need parts on the shelf.

We have plenty of maintainers to work on the aircraft, but if the aircraft comes back and they pull the old part out that's bad and they turn around to the shelf and it's not there, that airplane's going to sit and that really reduces your aircraft availability. The other aspect of this is modernizing—and certainly maybe we get into some modernization questions later—but that will absolutely help us to increase our deterrent value. And then the last piece is really a people part, which is we have to do hard things together. We're going to exercise and we're going to exercise hard. And when we don't meet the objectives, we'll teach coach and mentor and we'll get better.

**Colin Demarest:**

And to follow up with you real quick, you have been quoted as saying the biggest challenge for Air Force readiness is the tension between sustaining the old and investing in the new—and I think Tara will have some thoughts on that. How do you break that pattern?

**Kenneth Wilsbach:**

I don't think you can break the pattern. It's going to be a constant challenge because you can't just throw away all of your current hardware and get new the very next day. You always have to phase in the new and phase out the old, and you have to present national security in the form of air power for us while you're doing that. And so it's a constant tension, a constant balance that you have to make.

**Colin Demarest:**

Thank you. Secretary Phelan, it's your turn. You've mentioned a strategic shift in two announcements recently: one before Thanksgiving with the constellation cancellation, and one yesterday I believe with landing ship medium. What should Navy and Marine Corps watchers take away from that phrase? How should they read those tea leaves and what does that mean for the long term?

**John Phelan:**

So I think what I was really referring to was acquisition reform and the Navy. So I think what I'd say is one, the Navy's going to become a better customer, but it's going to become a smarter customer and we're going to become results-based outcomes, not cost-based outcomes. I think we are going to try to become a better partner with industry and new players as well. But I think on those particular ships, the frigate or constellation class frigate was canceled because candidly it didn't make sense anymore to build it. It was 80% of the cost of a destroyer and 60% of the capability, so you might as well build destroyers. So I would say stay tuned on that. I know I'm getting a lot of heat in social media about frigates and we will have something to say about that.

And then on the LSM, that's basically the Marine Corps has needed aphibs [amphibious vessels] for a while. We went through a very rigorous process with the commandant and the CNO and selected a design that we think is easier to build and makes sense for what the Marines need. And we think that should be done in a pretty good amount of time. You know we can make announcements, the real key is execution. And that will be one of the big challenges we have because our shipyards have capacity issues, labor issues, and—candidly—1980s practices that we need to change. So all of these things will take some time to implement, but that's what I mean by strategic shift, which is we're open for business but we're also going to be much smarter about how we contract and what we do. I think some of the contracting things I've seen candidly make zero sense and we're going to change that.

**Colin Demarest:**

And to follow this same thread, Constellation was a foreign design adopted by the French and Italian Navys. This new landing ship medium is a Dutch design I believe.

How do you prevent a redux? How do you prevent another weight and design creep on another ship that you might have to cancel another few years down the road?

**John Phelan:**

So glad you asked that. So look, I think one just Constellation just to answer, I think the Navy gets a lot of blame for taking something that was a 15% design people say and changing at 85, having looked at it with outside eyes, I'd say the Navy was probably 50% culpable for the problems and I think the ship builder was 50% culpable. Having said that, to answer your question, it's pretty simple. We have settled on a design, it's a well-known ship, the requirements are going to be put in and done before we start building the first one. When we start building the first one, any change order will have to be put through me, so I've reserved Friday at 5:00 PM for my change order meeting schedule.

**Colin Demarest:**

That's a news dump, that's a Friday news dump is what that is.

**John Phelan:**

There you go, and that's when the change order meeting will happen. So if you want to change it, fine. If not, just write it down and then when we build the next one you can make those changes.

**Colin Demarest:**

Fantastic. Tara, when and what can industry do to affect these changes these guys are talking about and where are the biggest hurdles, especially considering your specialty in supply chain and then the economic conflict I guess that we are in?

**Tara Murphy Dougherty:**

Yeah, absolutely. I think industry can do a lot and is already. So the biggest thing is first of all, show up. And if you go back in time 10 years, there was a big part of the American economy that was not showing up for defense and that was the tech sector. We've seen over the past decade that change dramatically, which is very exciting and their significant interest in experimentation and taking on new innovations in order to drive modernization priorities for defense and national security. So in order to do that, the next thing that they need is they need capital support. And I would say over the past five years we've really seen investors in the capital class show up for defense and the military applications of these technologies in a really exciting way. There are remaining hurdles to be sure, but I would share a lot of the optimism that we've heard today about how the groundwork is being laid by the current administration, by the Secretary of War and his team. That situation isn't going to get any better than this to bring in commercial

tech to start to change some of the dynamics with these challenges. And when you look at sustainment, for example, just keying in on a couple of things that have come up already, over the lifetime of an average weapon system or platform, everyone knows this, the vast majority, 70 almost 80% of the total lifetime costs live in sustainment. You have to use AI and tech to start to bend those curves or absent dramatic top line budget growth, we're not going to be able to afford the modernization programs that we want. So I'll give you two really quick examples of where I see this happening today. One in the Air Force and one in the Navy just to show equal love to my fellow panelists.

**Colin Demarest:**

You came prepared.

**Tara Murphy Dougherty:**

Exactly. In the Air Force, out of our software we've got fighter pilots and other sustainers who are using AI in order to identify alternative parts. They needed an air filter that had a wildly long procurement lead time, used AI, found an alternative part and ungrounded three jets driving up readiness by 18%. In one of the fleet readiness centers in the southeast United States, the analysis time related to bills of material using AI now in our software has dropped by 97% and they saved \$30 million. That is how you start to change things. Those are small numbers in the grand scheme of things except when you think about the fact that we're talking about a handful of users managing a small portfolio of parts and if the department is willing to move out and scale these kinds of solutions, and this comes back to some of the title of this panel—which I'd love to pull the thread on more later—if the department is willing to put focus and resource and respect in these things that have otherwise sometimes been relegated to back office functions, then you can see really dramatic change I believe.

**Colin Demarest:**

So you hit on this a bit and I'd like to ask both of y'all, what needs to change to make weapons trying and buying quicker, more effective while still maintaining a level of transparency? And then how does that look different on the frontline and on the factory or in the shipyard versus the frontline or on the airstrip, right?

**Kenneth Wilsbach:**

So I totally agree with Tara and the SECNAV brought up a point about them setting the conditions or setting the requirements. And I think this is so important and it's what we've done with the B-21. The B-21 requirements were set early on, and we haven't changed them. And as the jets are being produced, they're on time, they're on budget and we expect to have them delivered on time as well. So, this predictability for the company that's building the aircraft for us is useful to them so they give us the product

that we contract it for. If we keep changing it along the way, it just extends it out and it makes it more expensive, so that's definitely one aspect of it. And then the part that Tara was just talking about, the artificial intelligence, especially with sustainment, I see one step even further than what you talked about, which is automating it after you use the artificial intelligence so that the artificial intelligence finds the part for you and then it automatically orders it, and you can take it one step even further than that: we have on especially the modern aircraft, they know when the part's about to fail so it orders the part, it finds the part orders it ahead of time. And so when it does fail, the part is already delivered to the point of need.

**John Phelan:**

Look with the Navy, the best example I can give you, we've stood up I think on rapid capabilities office. And so what we found in the Navy is we had 200 different unmanned systems being tested across nine PEOs, some of which were redundant. And what we've done now is collapsed it so we've got a PEO in robotic and autonomous systems, we brought in Admiral Seiko Okano to run rapid capabilities. So now we are testing and we are moving much further down. The decision maker is going to be the warfighter, not some bureaucrat in the Pentagon and that's what we're changing. So we're removing layers, getting feedback faster, saying it's okay if we fail a test. People love to make these, oh this company tested this unmanned it crashed, it did this, this is terrible. No, we're learning, we're getting better, we're iterating faster and then we're giving feedback to get better. So I think that's a perfect example of rationalizing acquisition, having it tested in the field, giving feedback, and then going. And that's been very positive. We announced just this afternoon a contract with Saronic in unmanned and so we've been testing that for a while now and now we're beginning to put that into the fleet. So we will start to move quicker, and that's what we'll have to do. And I think one of the big challenges we'll have to deal with is the way we programmatically fund programs does not make sense anymore. It'd be like taking an iPhone that was made in 2015 and giving it to you today. You will have obsolete technology if we do it that way. So it will be something we have to really work through with the Hill as well.

**Colin Demarest:**

John, you mentioned the Raider, so I'm just going to ask is 100 enough and do you have a magic number otherwise?

**Kenneth Wilsbach:**

To be determined, to be determined? So I don't want to get out in front of my boss who's sitting right down there in the front row.

**Colin Demarest:**

Do you have thoughts?

**Tara Murphy Dougherty:**

He takes answers from the audience in addition to questions.

**Kenneth Wilsbach:**

But certainly we're looking at that and we will obviously see here in the future whether we need to buy more. 100 is the program of record right now and we're at the very beginning of that, so let us see.

**Colin Demarest:**

And back to acquisition and speeding it up, What data do you guys not have? What are you craving that could really make this happen? And then how can industry or even Govini just supply that if maybe you start?

**Tara Murphy Dougherty:**

Well, I'll start with the framework that we have found to be very successful working very collaboratively with the Army in this case. If you go back in time, almost three years at this point, I had a conversation with General Jim Rainey who was running Army Futures Command at the time and he said, next generation command-and-control, it has to be different. It has to be a blank page. We have to rethink everything. I want companies, the best of American industry, to rethink the technology, and I want my team to rethink how we approach requirements and ultimately the acquisition for this. And so we're talking about this and there were a number of different industry members and people who participated over a variety of sessions. And one framework that we glommed onto at a very high level was that the right vision for the future was going to be from sensor to shooter to sustainer.

And that was so novel and exciting because the sustainer was included. He wasn't an afterthought or tack on later or the first place you go to save budget dollars. But what we realized was by the time we actually got this program of record into experimentation and prototyping, that framework wasn't even right anymore. It's actually from sensor to shooter to sustainer to supplier. And the reality is the Department of War cannot just look at its own data and solve these problems because it's too dependent on the industrial base for what we need to produce on exactly the kind of timelines that you're talking about. And of course once we get into the challenges of a contested environment or protracted conflict, and the best news of this whole realization is: this is totally doable. The data exists, the technology exists to bring it together. It's very difficult to implement in a government environment—the Department of War's environment—but it's not impossible. And so today we have data flowing that is being pulled directly off

of sensored platforms in NextGen C-2 [command-and-control], it's going directly into our logistics application and it's being automatically linked up with information about suppliers around the world that needs to become just standard course.

**Colin Demarest:**

What do you all need?

**Kenneth Wilsbach:**

Traditionally we've also incentivized risk aversion and we should flip that and incentivize risk—smart risk—using automation and AI to be able to work our way through the test plan so that you can field much quicker, more agilely and maybe with a better product in the end. But if we keep incentivizing risk aversion, we're not going to be going at the speed that we need to and our adversaries will pass us up. And so being able to calculate that risk is really important because you obviously don't want to just assume all risk in the test, you want to try to mitigate that and that's where you can definitely use digital engineering and some software tools to mitigate some of that risk, but get the product out to the field faster.

**Colin Demarest:**

Should we be expecting more projects on the timeline of the CCA competition right now in that window or at least that accelerated?

**Kenneth Wilsbach:**

I would hope we would. We need it for national security to develop some of these new systems a lot faster than 10 to 15 years from idea to fielding

**Colin Demarest:**

Secretary Phelan, What do you need?

**John Phelan:**

Mine's much simpler. I'm nine months into the job. The first day I came in, I said I'd like to get an org chart and break down to the Navy and see who is doing what.

**Colin Demarest:**

What was it, 50 pages?

**John Phelan:**

I still haven't gotten it, so I'm still working on it to get to it so I can understand a little bit better responsibilities and how decisionmaking works. But, look, we are setting up and we've set up a pretty comprehensive dashboard to Tara's point about keeping an eye.

Look in this business, when you're in shipbuilding, you're in the construction business and when you're in that business schedule is critical and if you don't stay up on schedule, you go bankrupt. And now we're a government, we're not going to go bankrupt, but that is what causes problems and that's why requirements, [scope] creeps, everything. I went to a shipyard in Korea where we're doing some MRO work and I said, well, when you got into it, they said, yeah, we found some stuff, but that ship will leave on this date because it will just leave. Period. We have another ship behind it and that's how we run our business. Otherwise we will lose money. We have to pay money to the person whose ship's not come in because these are commercial ships behind them that need to get out there and that are revenue generating. We need to adopt that mindset a little bit better, and so the data that we're going to be looking at is understanding in real time what does the supply chain look like? Where are their vulnerabilities? Where do we have problems with, are people producing according to schedule? Those are some of the things I think we'll need better data.

**Tara Murphy Dougherty:**

Can I jump in on that please? Because I think that is the perfect tee up to the heart of this panel when you look at the title. The Department of War is not a business, you're exactly right, Secretary, if it were, it would be insolvent. And this idea that these are defense business systems that is a category unto itself is totally wrong. The only good thing about changing the name from Department of Defense to Department of War should be that we never are allowed to call these things defense business systems anymore. Because what they really are is they're warfighting enablers. And if we treated financial management, supply management, logistics, and maintenance as warfighting enablers and gave them that level of prioritization, resources, and technology, then you actually get better outcomes across cost, schedule, performance, and ultimately operational availability and readiness. That's the change that has to happen. And the moment is sort of perfect because I think there is a lot of clarity right now about how these tie in all the way back to the industrial base challenges that we have into ultimately capability for the war fighter.

**John Phelan:**

Yeah, I think it's funny, I'd put it a little differently. So one of the things I say in meetings is—and I ask this all the time—what is our business? And our business is warfare. And so what I constantly ask is if we were at war, how long would it take us to design this ship? If we were at war, how long would it take us to get that missile? And typically it's 50% faster than what they're telling me. I'm like, why don't we act like that? Why don't we behave like that? That is our business.

**Colin Demarest:**

Is that reflected in Secretary Hegseth's speech saying he wants to put portions of the Pentagon on a wartime footing?

**John Phelan:**

I think that's part of it for sure. I think that's the element, that urgency to act. And look, it's like the Mike Tyson statement: it's always easy until you get in the ring and get hit in the face. I don't think we want to wait to get hit in the face. The President's goal is for us not to get hit in the face. The President's goal is for us not to get in a fight. And if you wait for a war, a lot of people are going to get killed because we're not prepared. So that's why I think we need to act like we're at that wartime footing that the Secretary of War talked about.

**Colin Demarest:**

So coloring a lot of this discussion is contested logistics. You have experience in the Indo-Pacific. Both of the services are global now and have global reach. How are y'all thinking through that topic, especially considering your background, and then maybe even the Navy's recent experience in the Red Sea, replenishing under fire.

**John Phelan:**

Yeah, look, I think we have to look at distributed sustainment to some extent. So whether it's doing MRO in Japan and Korea, whether it's having replenishment in allies' bases—we have to be smarter because we have to deal with the tyranny of distance in the INDOPACOM. That is a big theater with a lot of distance. I think candidly the Air Force has done a really good job of thinking about that and those forward logistics fighting, and I think the Navy's begun to adopt some of those things.

**Kenneth Wilsbach:**

The first thing I think about is pre-positioning. So purchasing the kit that you think you're going to need and putting it into place where you're going to use it will take some of the pressure off of the initial conflict and your logistics are going to be at highest risk at the very beginning. So pre-positioning helps. And then multimodal in the Pacific, it's by air or sea. In other places around the planet you might have air, sea, and as well as land, roads and rail. So multimodal helps you. And then concealment, camouflage hardening— so you pre-position but you hide it so they can't destroy it, bearing it in the underground hardened shelters as well as under sea storage. Those are all things that you can do to mitigate some of the logistics under attack.

**Tara Murphy Dougherty:**

This is such a perfect area for AI. I mean it's so perfect. It's an optimization challenge ultimately. And what I love about it is if you optimize, what do you preposition where,

where do you have MRNO capacity that comes from allied and partner organizations, government or private sector, how do you calculate resupply in milliseconds instead of manually? You are literally just giving brain space, decision space, and time back to the commander.

**Colin Demarest:**

At what point is that automation doable in the real world? Is that happening now?

**Tara Murphy Dougherty:**

Yes.

**Colin Demarest:**

When is the next evolution of that then?

**Tara Murphy Dougherty:**

I think that it depends on how you define evolution because so much is changing all the time. I mean, one of the things that's really exciting in this space is because the Department has made such progress on moving things into the cloud, because they've made tremendous progress on deploying things at the tactical edge, you can push releases in the dozens a week. Gone are the days of having to bring things to major periodic epic quarterly releases and you're thinking about development and progress in months. This is as fast as the private sector can go in AI so long as we have great partners on the government side who are helping with things like security and ATO and provisioning. If we can get access, we can deploy the tech

**Colin Demarest:**

Secretary Phelan I wanted to come back to you. You mentioned your trip to South Korea recently. South Korea and Japan are both major ship builders, China is the number one. Do you think for the U.S. to meet or exceed China, do we need to rely on more of South Korea, more of Japan? What do those partnerships look like? Especially because shipbuilding is such a big emphasis for you.

**John Phelan:**

Yeah, look, I don't think we need to necessarily beat China in that sense. I think our ships are far more capable and much better, so there's a quality component that you need to look at as well. But we are definitely going to need to partner with our allies, particularly South Korea, Japan, I'd even say Singapore, people who are very good at shipbuilding, Hanwha has already invested in the Philly shipyard. They're modernizing, they've brought a number of their tradespeople who are very good to train and show us some of the way they're doing the work there and some of how they're doing robotic

automation in the yard. We've expanded our MRNO with both countries right now. I think all options are going to have to be on the table because the President's mandate is really to get hulls in the water. And so we will have plenty of ships to build and plenty of demand to go. And I think what we're trying to do is really encourage them to come to America, invest in America, invest in yards here, help us build up our maritime industrial base, and we will also send some business over there as well.

**Colin Demarest:**

Is there a parallel for the Air Force, how you're thinking through the partners and allies question?

**Kenneth Wilsbach:**

You bet so. They have talent in particular areas. For example, some of them can build munitions and many of those same munitions that they might build, our industry is building and there's only so much to go around. And so it reduces the number of rounds that we can have because we're also building those for our allies and partners, but if their allies and partners are building them in their own country, then that's more munitions that we can have for the Army, Navy, Air Force, Marines, and the Space Force here in the United States. So that's one area. But I think we ought to take advantage where they have strengths and partner.

**John Phelan:**

I think that also just, it helps interoperability. So that's a really important thing, particularly in the Pacific where you got that distance that we've talked about. So having people who can build and have systems that talk to each other and build the same missiles or even help us repair ships, that'd be a big plus.

**Colin Demarest:**

Tara, for you to flip this kind of question on its head, how does the U.S. wean itself off of China? They're very much embedded in the supply chain, this is prime time for you. All the services rely on some sort of Chinese component or some sort of Chinese material, how do you remove that?

**Tara Murphy Dougherty:**

Slowly and painfully, I think. I mean the reality is very stark, exactly as you teed up, Colin. There are foreign parts in a hundred percent of our weapon systems and military platforms. There are huge numbers of Chinese parts across those same systems. 90% of raw materials are processed in China and then end up in the military systems we depend on. I think the goal is not to get to 100% eradication of Chinese parts in everything that the Department of War procures or the services leverage, need, or buy. I

don't think it's realistic. I actually think that this is where understanding the illumination of those supply chains down to not just the part level, but you have to go farther and look at raw materials and critical minerals becomes a necessity so that you can make risk informed decisions.

Where are the places that we say fine, that's a dependence that we are okay accepting. It shouldn't be fuses, it shouldn't be detonators—and those are real examples of components that are made with Chinese parts and military systems today. It might be other things that, like I said, we're okay with accepting that risk on, but it's going to require a tremendous amount of willpower to catalyze the American industrial base, provide a constant or at least a meaningful and transparent demand signal for what we do need in order to get that going domestically, and then fantastic collaboration with our allies and partners because this cannot be done by the U.S. alone. And I think we actually heard that earlier today, including from Secretary Hegseth. I don't think there's any misunderstanding that we would try to do it alone. And I think there are benefits to doing it together, but that move into what is it we want to target, how quickly can we go, and where are these alternative components, parts, or materials going to come from that—I think—is going to take time and a lot of political will.

**Colin Demarest:**

So, Secretary Hegseth was here today, he mentioned acquisition reform. He just gave his acquisition reform speech the other week, other day. What was y'all's gut reaction to that, and then how are you now working through those directives?

**Kenneth Wilsbach:**

I thought he stole my speech. I've been saying a lot of the same things for many, many years, especially the agility, the risk taking, and the reform aspect of it. So I loved it, I was quite encouraged by the words.

**John Phelan:**

Yeah, no, I think it makes a lot of sense. If you look at what we did with RCO and PEO RAS, it's actually a duplicate of what he's suggested. So I think it really makes a tremendous sense and I think getting it further down to who the real customer is, which is the warfighter, is the right thing. So it's a really smart acquisition reform plan.

**Tara Murphy Dougherty:**

Absolutely concur. The things that I loved are exactly like the General just said. These are things that we've been talking about—all of us for a very long time—and clamoring for. And to hear the momentum and seriousness and specific concrete actions to do something about these changes we've been clamoring for were very exciting. To hear a

directive from the Secretary that we will trade acquisition risk and increase that in order to buy down operational risk— amen. Let's do that. It's going to require the culture change that you both alluded to earlier, but I think is an absolute necessity. And I like the emphasis on accountability. I would just add one piece to that, which is consequences. Part of holding someone accountable is when they don't do the thing that they are responsible for doing that there are consequences, and this we don't often see in government. If your program isn't ready on time, if your product doesn't ship, if your readiness levels are abysmal, it isn't often that someone gets their feet held to the fire or they get fired or their program budget gets cut. But I would like for some of these initiatives, for example, commercial item preference, it's existing law. We have presidential executive orders pushing for commercial item preference. We have a Secretary-level directive and it was emphasized in the acquisition transformation speech. So what happens the next time? And I hear this daily in the department, someone says, yeah, yeah, yeah, this software is amazing, but I have to build my own or we're going to go with a homegrown solution. What's the consequence? Who is holding that person accountable? And I don't think it's that there's a lack of will to do something. I think that it's very hard to find those instances as a leader and act on it. And this is where it's going to require leadership, not just from the very top but throughout the Department to say not anymore. That's not the plan. We're going to do things in a different way.

**Colin Demarest:**

Secretary, we are running short of time here, but I'm going to leave you with the last word, a two-for question. One, Admiral Caudle, today, told a bunch of us reporters, he needs a decision quickly on F/A-XX. I'm curious about the status of that, and when we should expect an award. And two, I've also heard you met up with President Trump on Wednesday to talk about shipbuilding. I'm curious what that conversation was like.

**John Phelan:**

So you got good sources, I'll give you that. Yeah, myself and Director Vought and Secretary Hegseth had a meeting with the President on Wednesday. He has signed off on what we are calling the Golden Fleet, so it's very exciting. We will continue to build ships that are the cornerstones of the fleet—so carriers, destroyers, amphibs, submarines. But we need new ships and we need moderate ships. And I think what you'll see with the Golden Fleet is we will be building a frigate. It'll be based on an American design, it is something we can build that we think actually will be done before the old Constellation, let's call it. We will also be doing quite a bit in unmanned, so there's a significant amount of capital in the budget allocated to unmanned as well. And then I would say that the President has talked about what I'm going to call the big beautiful ship, and what I'll say on that is stay tuned.

**Colin Demarest:**

Okay, F/A-XX.

**John Phelan:**

F/A-XX. Excellent question. Working on that with DEPSEC and SECWAR, hopefully by next week.

**Colin Demarest:**

It's still alive then?

**John Phelan:**

As far as I'm concerned, yes.

**Colin Demarest:**

We're going to have to leave it there, guys. Thank you for hanging out with us and thank you for the insights.

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