Q: Good morning, sir. I wonder if you could explain to us a little bit the budget that came out. What are your priorities for the rest of ’08 and the rest of the time that the administration [inaudible]?

A: The administration and Defense Department priorities or--

Q: [Inaudible].

A: My position basically has been expanded to the entire future force in terms of capability, from an operational perspective. So everything from strategic capabilities, nuclear weapons, satellites, missile defense, computer network attack, conventional global strike to conventional forces to special operations forces. Then some functional areas--irregular warfare, counter-terrorism, strategic policy, [inaudible] deterrence, strategic deterrence, and force transformation.

The job basically divides between oversight of ongoing operations overseas from a senior civilian perspective. I do a lot of the operational advice to the Secretary from a civilian point of view, rather than my regional counterparts who do the day to day interaction with multiple governments. And not surprisingly, probably three-quarters of my time is taken up by operational matters rather than future force investment decisions given it’s the last year of an administration.

We're just finishing the guidance for the development of the force which provides strategic guidance for our investments for the period of FY10 through FY15. This budget cycle that's just come out is an off-year budget. The next big budget will be in FY10. As I
say, we're just finishing that guidance right now.

Basically it reflects the priority—it's a classified document but it reflects the priorities of the Quadrennial Defense Review, two years [on]. So many of the directions that were set there are continuing to be implemented and adjusted as circumstances change.

Q: I wonder, sir, if you could explain a little bit about, I know when you talk about interdependent capabilities as Harry just mentioned, SOF has just finished a joint operational capabilities for irregular warfare. I think that's the first time they've ever done such a thing. I wonder where do you see that going? Do you see an expanded role toward the future for special forces of one sort or another?

A: Let me just clarify the first part. The interdependent capabilities in plain English really means all the other stuff. So it really means joint warfighting capabilities across the board. That's really the entire future force. SOLIC in that because SOLIC has historical reasons for its name, it's done by Congress [inaudible].

As far as SOF and irregular warfare, there are a number of irregular war studies that have been going on since the Quadrennial Defense Review which really highlighted the importance of irregular warfare. SOCOM just completed one, J8 of the Joint Staff has completed another, the Deputy Secretary has directed a couple of studies one of which my office is doing with PA&E, another one is being directed by the guidance for development of the force. So we're looking at a lot of different aspects of that. How we train, advise and assist foreign partners and what kind of capabilities and capacities we need to execute that. Both with general purpose forces and special operations forces. And I might add, civilians as well. The full range of training and advising. What the appropriate roles for DoD are there compared to our interagency partners; how we should continue to try to strike a balance in our general purposes forces between irregular warfare and conventional campaigns. General purposes forces have to be able to swing both ways in how they should be trained, equipped and organized to be able to do that. That's an ongoing process of evaluation as well.

Then with special operations forces, they're undergoing a major expansion in capacity as well as some new capability enhancements to develop a global SOF posture that will allow us to work by, with and through our international partners in the global war on terrorism for what we believe will be a protracted period of time. Sort of operations in countries with which we're not at war, working through our partners, but multiple countries for a sustained period of time, so transitioning from more episodic presence to a more persistent if low visibility presence that again works through our partners.

Q: How much of your time now is actually spent still on, your personal time, is spent on special ops related issues, given that you have a [inaudible] for special ops now? And within that, where are you focusing your energy in special ops particularly? What areas,
what commands?

A: I spend a large portion my time on special operations. I essentially divide up responsibilities with my [inaudible]. I focus on the really high priority areas in each area of strategic capability, special operations capability, stability ops and conventional or force transformation. That, as I mentioned, my basic responsibilities divide between oversight of current operations worldwide and providing strategic and operational advice to the Secretary on that. Then advising the senior leadership on capabilities. Because special operations forces are so central to current operations, I spend a very large amount of time in that area on the SOF-specific [inaudible] of that. Not the only area I spend time on in current ops but it's a large chunk. I wouldn't want to put a percentage on it, but it's more than 50 percent.

Then on capabilities, again, because SOF is increasingly central to US strategy, we have a number of key investments we're making for the future force, both to expand capacity, but also in selected capability areas to improve our ability to access denied areas or to tag, track and locate terrorists and dangerous materiel. So I spend a lot of time on that.

Then as far as, I think your last question was on what portion of the special operations force. They're all engaged. I'm visiting them all in the field and spending time with each element of it.

Q: I always think of special operations as being a primary beneficiary of transformation. But from the people in the Pentagon, they say a lot of their most vocal advocates of transformation are now leaving the Department of Defense at a high rate. Is that affecting the potential for funding or the push for forming technologies from your perspective? Is there any diminution of that effort?

A: I don't believe so. I haven't heard that, [inaudible] advocates. And I'm the senior official now responsible for force transformation so I hope I'm not a potted plant in this area. [Laughter].

I've been working on transformation issues as an advisor to the Department of Defense since 1993. And did a lot of work in the 1990s on it for Andy Marshal and the Office of Secretary of Defense. Andy Marshal was Director of Net Assessment.

Transformation has been different things to different people over time as it should, because it's a big subject if you're going to make pretty significant change to an institution. But it's also evolved significantly over time.

The September 11th attacks marked a big discontinuity in American national security policy and as you mentioned it had a pretty significant impact on transformation.
The 2006 QDR I think really is a point of departure there and for the first time it really connected transformation with a diagnosis of the strategic environment, particularly the geopolitical environment rather than the technological environment. Before the dominant view of transformation, and again there were competing schools, was really sort of described as net centric warfare or expanding the use of information technology. So it was taking the technological environment and applying it in various ways to military systems.

The 2006 QDR focused instead on what are the core strategic challenges we face as a department, as a nation? One of them is trying to shape the behavior of countries [inaudible], major powers that could really affect the international system, the dominant one of which is China but there are others. Russia might or might not be added to that list.

Winning the global war on terror and improving capabilities in the irregular war area was another focus area. Again, not something explicitly thought of in the past. It was generally more focused on conventional forces, but in '06 it was made far more prominent. Then homeland defense, and finally preventing the acquisition or use of weapons of mass destruction. So in each of those areas, big problem areas, there were a number of targeted investments. I think those are really ongoing.

Again, this is just my perspective from looking at this for 15 years, but I think we've made more progress in some areas in the last two years than we have in the previous 15. If you look at those problems and you're saying how are we doing against those problems, I think there's been more significant action in the past couple of years.

That doesn't mean nothing was going on in the past 15 years. There were a lot of developments in precision weapons and others, but in some key areas there have been some pretty significant shifts in investment the last couple of years that I think will really pay off for the country five to ten years from now.

Q: One of the things, I hope this gets into that area, but one of the things I try to look for is tactical applications of high technology, for instance electronic attack, information warfare, network attack. And on a tactical level.

With the Marine Corps, I've seen them bring their forward air control parties, giving them electronic fires by combining the efforts of the radio battalions and the Ea-6Bs and giving those forward air controllers the ability to call up an electronic attack when they need it for identification, a whole range of things.

Now is that, I assume if I can see that in the Marine Corps then you all are heavily involved in it, so can you give us some sense of how you're attacking that problem?
A: Yes. There are again different sort of data points and you've brought up a very good one, two parts there. On the tactical air controllers, Operation Enduring Freedom really just marked a fundamental departure in unconventional warfare and our ability to connect remote fires with a small footprint on the ground.

I'm a long-time practitioner of unconventional warfare, and the Afghanistan 2001 looked nothing like the way we did business in the 1980s or previous times before that. And part of that, a significant component of that is the precision revolution and the way we're able to translate that on the ground with controllers. That is ongoing. That's not going away.

On the electronic attack area, the other part of that, that's an area of increasing prominence. And you know, for the past decade or so I think it's been recognized that to shift a little bit here more broadly to the electronic attack area, that stealth is very very important as a source of advantage for the United States and the ability for some of our more advanced systems to be able to do what we need them to do.

It goes hand in hand with electronic attack capabilities [inaudible]. The combination together is far more powerful than either one alone. It just makes no sense to think about them separately.

Q: Does that mean F-22 and F-35 then become key tactical players on the battlefield as in EF-10 and EA?

A: They might, but there are many other capabilities that are very important as well. Of course this gets into an area we can only talk about so much.

Q: So where are you putting your money then to make sure that you--

A: There are investments in a number, there have been some very recent high level meetings on electronic attack, there are investments across the board in a range of techniques. It's not just platform based.

Q: Certainly not in the Air Force. They can't get their EB-52 program off the ground, so that isn't going to help them out.

A: All I would say is that field is moving very rapidly. There are some very interesting developments. It's not a single solution. It's a family of solutions. It's very important capabilities for future warfare.

Q: But do your people have any of that capability in the rucksack right now?

A: Again, without getting into classified areas, electronic attack encompasses air to
ground and yes, deployed small ground forces have those capabilities.

Q: [Inaudible] special ops [inaudible] QDR, how far along are you [inaudible]?

A: The expansion was pretty much across the board. The special operations forces started expanding significantly right after the September 11th attacks. The first initiatives that were important was the transition from a headquarters that weren’t really manned for 24x7 war, to put them on a 24x7 posture, and standing up some new headquarters. For example, SOCOM Center for Special Operations didn’t exist before. It’s now a pretty elaborate organization to go with the unified command plan designation of planning and synchronizing the global war on terror. But other headquarters, our theater special operations commands and others had to be bolstered as well.

With the 2006 QDR there was a major expansion of operational units across the board. So all the overall expansion in terms of number of personnel, because some folks are going out of SOCOM, others are being added, is I think on the order of 15 percent. A lot of the operational units are actually increasing by 33 percent.

So our special forces groups for example, our active special forces groups are all adding a battalion, going from three battalions to four battalions. Our Ranger regiment is expanding also by a third, it’s adding an additional company to each battalion. Our civil affairs and PsyOps units are expanding by the same amount of composition, and some other elements of the force.

We’re adding new capabilities, UAVs to Air Force Special Operations Command, a new squadron has been stood up. So it’s a pretty significant, MARSOC, another new unit, Marine Special Operations Command. Naval Special Warfare has expanded. All of that is in its reasonably early stages. It takes about five to six years to achieve this expansion. It’s being done as deliberately and carefully as we can, given the pressing international environment.

There’s an intention to try to look at each system, each portion of the system that would enable the expansion. So for example, the earliest investments were made in the schoolhouse to expand instructors and facilities. So the group of the Green Berets has increased in the past couple of years, it’s actually tripled from about 250 a year to more than 750. I think we’re at about 800.

We have added in the past few years a new program to directly recruit in the Army into special forces right out of civilian life. It’s called the 18-Xray program. There are two or three typically on every eight attachment. That’s how I actually came into the Army in 1973. They didn’t call it that then. They called it SFBBs or something else. I was one of them. But it’s a very good program, too. You don’t retain all those people but you get
people you might not otherwise get into the Army that are just attracted to sort of, like the OSS in World War II or others. And if they do stay, by five or six years they're a real seasoned operator.

Expanding the Ranger regiment was important for its own right, for its own capability, but it's also important because it tends to feed the special forces units or our classified special mission units. So if you want to increase them you have to make sure you're increasing the recruiting base. All of that was done together. And it's proceeding fairly well.

We've just added our first battalion to the 5th Special Forces Group. Each of the five active duty groups will add a battalion through I think it's FY12. So again, we're 20 percent of the way there. It will take some digestion, even as we move to the end of this period. Any expansion always does. But it's critically important to the war on terror.

I have commented on this publicly before, I guess drawing on my prior experience, but now the National Clandestine Service, or what used to be the Director of Operations of the Central Intelligence Agency, and our special operations forces, are really two critical instruments in this war on terror and both are expanding pretty significantly since 9/11. Both in their training base and their operational ranks. I think that's very important.

Q: Is the expansion [inaudible]?

A: Again, it's just getting underway. We're also expanding our general purpose ground forces Army by 65,000 end strength and the Marine Corps by 27,000. So over time it will relieve some stress but it will also provide additional capability.

The motivation is a little different in each area. With special operations forces it was really intended to create the capacity needed for the global counter-terrorism network that we wanted to build. To operate in so many countries on a sustainable basis you need a sizeable force.

Some believe there's a danger if we went too far in expansion. We're by no means there. But that you could not just relieve stress but actually cause other problems. People join the special forces to do things. So if you have to sit home too much, there's a balance there, they think this isn't what I signed up to do. I signed up for adventure and stuff, so they go do something else. You see that historically. Again, that's driven by the international environment and a lot of other things, not just the size of the force, but it makes it a more difficult problem than you otherwise might think.

Retention is really very good. If you look at indicators of stress on the force in special operations despite the high OpTempo, we're doing phenomenally well.
The other thing I would add, too, is that special operations forces are likely, they're sort of first in and last out, so whatever the future force posture in Iraq and Afghanistan, one would expect to see special operations forces decline at a slower rate than would the general purpose forces, all things being equal, over a longer period of time they're likely to remain there. Again, that's why the expansion is important. Not just to relieve stress, but to allow us to cover other areas.

Q: I have a definitional question and [inaudible]. The first one is what the heck is electronic attack? Is that zapping people with electricity or--[Laughter].

A: Traditionally it means using electronic means of one form or another and they've expanded to attack other electronic [inaudible]. So you could jam a radar, you could, expanding now, send computer bytes into another computer system, a range of things.

Q: The substantive question is this. It seems to me that one of the key aspects of hybrid warfare or irregular warfare is that the bad guys have gotten really good at hiding themselves, so more and more I hear the job at the tactical level and the strategic level is finding out who they are and what they're doing. Talk a little bit about that challenge in particular, and how well are you doing up against it?

A: The war on terror and the major insurgencies we find ourselves confronting are collective an intelligence-intensive war. Put another way, if you look at the sequence of engaging the enemy from find, fix, finish, and then exploit and analyze, which is really a cycle back in [inaudible] again, the intelligence portion [inaudible]. It's said that the US has overmatch or conventional dominance in traditional areas of warfare and by and large that's certainly true. But it also applies to what Mao would describe as the later stages of irregular warfare where insurgents try to mass and take over the government. We're able to prevent, as long as we're engaged, we're able to prevent that portion from occurring. So most of the combat takes place in the lower levels where again the problem is finding the perpetrators of these low level but deadly attacks. Whether it's IED bomb makers or whether it's terrorists plotting against the United States from anywhere in the world. So the find problem, and exploiting and analyzing that goes with that, is really the central problem.

So if you contract it with the Cold War, for example, or the conventional balance of the Cold War on the central front, take the same model. We may not known exactly how the Soviet army would behave, but we'd find them soon enough or they'd find us and then the problem was could you prevail? Now the problem is really reversed.

One of the challenges for the department, if we can find them, we can deal with them. So the challenge for the department is how to shift resources into various capabilities to do that find mission, whether it's technical ISR systems, or whether it's human systems, whether it's working with partners in various ways to develop that network. In specific
countries, and then around the world. That's really our fundamental challenge.

Q: How well are you doing?

A: We're making progress. Again, the intelligence tends to get better the more you work at it. You [inaudible] mistakes and have strategic surprise, but as you recover and start to figure things out you get better. I think part of the success we're seeing in Iraq, for example, over the last year is in part due to improved intelligence. There are a number of things going on there, but I think that's part of it.

And the challenge for different aspects of this, though, the transnational or strategic threat, the global threat to our European partners in the United States is really a needle in a haystack problem. A small amount of people can cause you a lot of problems in different places.

[END 1A]

A:--river valley. So we're making significant progress but we have a ways to go.

Q: Are you a D going to a C or a C going to a B?

A: I don't want to judge our overall intelligence capabilities. I think they're generally more impressive than people think.

The problem with some intelligence systems is you just can't order it up on demand. You can't say tell me everything all the time or predict everything about the future. You'll never achieve that standard. So if you define that as an A, you never get there.

But often what you do get is pretty impressive and very decisive. Again, in various aspects of intelligence, whether it's espionage or other, it's not something you can just say give me all this right now against all these parts. Sometimes you have gaps and other times you don't. But I would say in a lot of areas we're doing pretty well.

Q: Sir, can I turn the topic to Pakistan? We've heard the Secretary and Admiral Fallon talk about the training package that is being discussed [inaudible] their election. Obviously SOF is the foreign internal defense [inaudible] involved in that. Can you bring us up to date on what the thinking is right now, and particularly as it relates to the Frontier Corps? There's been a lot recently on them anyway about some concern that are these guys who we think they are? They have brothers and relatives who are probably either Taliban or al-Qaida related Pashtuns, and do we really want to be training these guys when we don't know [inaudible]? And [inaudible] regular army versus the more tribal frontier force?
A: Let me say to start with, I don't think one single instrument or single approach as a form of assistance that the United States could provide will solve the problem. The Frontier Corps is a very important instrument because it's largely Pashtun based, although there is a religious component as well. The Pashtun group, as you know, extends across the border into Afghanistan, into eastern and southern Afghanistan as well.

But the Pakistani Army is very important. The army is really the most important security institution and arguably the enduring institution in Pakistan and they've recently conducted fairly successful operations in the [inaudible] Valley and in some other areas.

As far as the training program of the Frontier Corps, it's part of a broader program that American Islamabad is [inaudible] that comprises foreign US assistance, about $150 million a year over five years provided by the US Agency for International Development to help develop the tribal areas. The Pakistani government has committed resources of its own I think on the order of [inaudible] US dollars, and then there's a program to train the Frontier Corps that is just getting underway with some site surveys. It will take, again, about five years to expand the capacity and increase the capability.

As Secretary Gates has said, we are ready, willing and able to assist our Pakistani partners, but Pakistan is a sovereign country and has to determine what assistance it requires.

The situation in Pakistan is very worrisome. Admiral McConnell testified yesterday, the al-Qaida threat is not diminishing. It remains a source of sanctuary for the al-Qaida senior leadership. And Pakistani militants aligned with al-Qaida seem to have turned their attention inward toward Pakistan recently, attacking senior leaders and conducting a range of plots against security forces deep into Pakistan. So this is an area of significant concern.

I believe the Chairman is heading out to Pakistan this weekend.

Q: You said [inaudible] the Islamabad folks are working on does include some sort of training of the Frontier Corps? [Inaudible] the Frontier Corps or training the trainers?

A: They will be training. As I say, the program is just getting started with training facility selection and others, but I think this will be refined as it goes forward. It's a multi-year program to expand their capabilities in a number of areas as well as the number of units they actually have. But there may be other training assistance as well such as continuing discussion with the Pakistanis, how we can help them.

Q: The Secretary said [inaudible] including joint operations.
A: Right.

Q: Just in talking within the building there seems to be a lot of pushback on that. The line I heard is all of a sudden a bunch of Caucasians show up in Waziristan. That's going to make things worse, not better.

Do you have a view as to whether the [inaudible] of either SOF or even conventional forces doing joint operations in Waziristan with the Pakistanis?

A: I wouldn't want to speculate on operations, but joint operations can mean a lot of things. We have certain capabilities that we can do in a low visibility manner that can enhance the operation of Pakistani forces. I think it's fair to say that joint operations would be [inaudible] the Pakistanis. I don't think it would be right to characterize it as a bunch of Caucasians running around the FATA. I don't think anybody would dream of that. But I'll just leave--There are a lot of ways to do joint operations--

Q: [Inaudible].

A: It could be, and it could be others as well.

Q: There are about 400 service members in the Philippines fighting [inaudible] Abu Sayaff. Right now they can only return fire if they've been attacked. Is there any chance that perhaps they can take a more active role in the fight against Abu Sayaff?

A: I believe, and I would have to get back to you on this, but the Philippine constitution is pretty clear about what non-Philippine forces can do and can't do. We've been quite successful in the Philippines conducting operations and supporting the Philippine armed forces the way we have.

Self defense and force protection is always a concern for US commanders, but without again commenting specifically, I think we've been rather successful there and I'm not aware of any need to change the ROE that we currently have.

Q: A quick follow-up, as you know there was a MARSOC company that was [inaudible] last year after an incident following an ambush. Did that ring any alarm bells for you that perhaps MARSOC might not quite be ready for prime time?

A: No. MARSOC is about, it's coming up on its second anniversary February 22nd. It's growing to a force of about 2600 Marines that has a training and advisory element, [inaudible] operational unit and a support element and a training base command element to go with that. And they've been deployed in a number of areas and done very well so I wouldn't judge the command by something that--The specifics of that company is something, as you know, that's ongoing legal issues and not something I want to talk
specifically to, but the command is doing a range of things very well.

Q: Over the past couple of weeks I think we've all heard DoD officials say that on the one hand the militants allied with al-Qaida in Pakistan turned their attention inward inside the country. [Inaudible] into Afghanistan. [Inaudible] now an expectation that there will be a spring offensive by the Taliban. Is it possible to put those two elements together and to say that events in Pakistan have in some sense [inaudible]?

A: No, I don't think I would go that far. I think overthrowing the government of Afghanistan remains an important objective of both al-Qaida and the Taliban, and the feared 2007 offensive this past year that was anticipated, while it was our fiercest fighting season was not as fierce as some had thought because the coalition forces in Afghanistan with Afghan partners were able to successfully attack a lot of the Taliban leadership. Operational commanders and others, not necessarily the top level, but people that make things work operationally. And whether that will have some affect on '08 or not or internal developments in Pakistan or a temporary shift in strategic priorities remains to be seen, but I don't think there's been any lessening of interest, and there were still significant border crossings in 2007.

As you know in Afghanistan things slow down in the winter because the passes close and so we'll have to wait until spring, but I honestly just don't know. It's getting worse in Pakistan I think it's fair to say.

Q: To what extent does the [inaudible] single [inaudible], a single [inaudible] border? [Inaudible].

A: It's always important I think to put things in a regional context. That was true in Central America in the 1980s. It's true in Iraq. The neighboring countries play an important role. It's true in Pakistan/Afghanistan. That said, it's not a completely homogenous theater. If you look at it like a Venn diagram there's a lot of overlap but there are distinct problems or challenges in each country. But it is essential for a variety of reasons. One, the Pashtun nation straddles both countries and is a source of grievance [inaudible]. As you said, there's border crossings and logistics, supply lines. So there are a number of issues that draw them together operationally and strategically.

But again, there are differences in the sense of the approach coalition forces can take in Afghanistan versus Pakistan. The countries are fundamentally different. They pose different challenges in terms of size, geography. The other threats they face.

Pakistan is a very complex problem independently.

Q: I wondered if you could give your assessment [inaudible]? And [inaudible].

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A: The insurgency has certainly picked up in Afghanistan the past couple of years and the [inaudible] of narcotics poses a challenge. Defeating insurgencies can take a period of time.

I am still very optimistic about the long haul in Afghanistan. I think as long as the United States remains engaged and we don't make the mistakes we made in the 1990s, that is the fundamental decisive strategic aspect of [inaudible] Afghanistan. I think as the Afghans themselves will tell you, they want and expect to win this war with assistance. They want to do the fighting themselves, so I don't think it's simply—I think one of the critical issues going forward is the capacity and capability of Afghan National Security Forces. All the enablers that one could provide to them. We're just starting to stand up an air capability for them, but I think the size of the Afghan National Security Forces is something that needs to be looked at as well for longer term success. I think that would be a decisive element in the long run.

Surges of forces create important but temporary effects. I don't think we're going to defeat the insurgency over the long haul with a large foreign presence. I think substantial foreign assistance and continued engagement is critical, but I think in the long run it will be the Afghans that are going to do it with our support.

Q: [Inaudible]?

A: They're very different conflicts. There was an expectation, I think, that as insurgents struggled to recover between 2002 and 2005 that we were on a path more towards estate building and other [inaudible] that have not materialized in a way that for instance some of our NATO partners expected it would. There are only so many forces to go around so Iraq does consume substantially more resources.

But I don't think the answer to Afghanistan is taking forces from Iraq and putting them in Afghanistan. I think the devil's in the details about what type of attention to apply to both places. What the right instruments are to deal with the insurgencies you face in both places and the government to deal with. I think [inaudible] Secretary and senior leadership.

Q: We have a bit over 20 minutes left and six questions. Mark Thompson and then Nancy.

Q: Mr. Secretary, given your background and given your talk here today about the centrality of SOF, the irregular wars we're fighting, and the difficulty of shifting resources to deal with this new reality, in this week's budget which went to the Hill with Virginia Class submarines, F-22 fighters, Future Combat Systems, is the US military still in your mind too platform centric?
A: No. I think the debate is really about are we investing in the right portfolio of capabilities to deal with the pressing challenges that we face. So I think it would be a poor choice to say we're going to do only conventional war or irregular war. I don't think the security environment allows us to do that. And I think the capabilities that you apply to these different challenges are sufficiently different and don't cross over that again, with a portfolio [inaudible] investment, one can deal with them.

So for example to shape countries at strategic crossroads, to look at the rising China for example. As the QDR indicated, that's largely a dissuasion, deterrence, engagement issue over a long period of time. Defense investment matters there. It's largely an Air Force, Navy, space, information operations capability, maybe with some others. You don't need large ground forces for that problem.

Then it's the question, are we building the right joint air capabilities or the right naval capabilities or space capabilities for that? Or are we investing in those areas for something else that's of a lesser [inaudible]. If you make the right investment for that, can they do the other challenges that you face? I think again that's where the QDR now pushed us in the right direction in some of those areas. So I think American [inaudible] undersea warfare is very important for some things and less important for others, but when you need it you really do need it. And in long range air power and some other areas.

Again you have to make choices between the short range attack force versus the long range, or the amount of penetrating platforms you have or standoff platforms, et cetera, but all that's doable within a defense budget, much as the way in the Cold War we had strategic nuclear forces in theater, and then conventional forces, and you had to be able to do both to ensure American security.

Then with our special operations forces, the driver is really the global war on terror, but they're a small percentage of the defense budget. So even when we double the budget or expand the forces by a third, you can find the funds to do that and you ought to find the funds.

Now you need to make some, for them, relatively capital intensive investments to assure their ability to do some potential future warfights going to more defended areas. Airborne platforms or maritime platforms or others. But again, that may require some shifting across the Department of Defense, but it's not going to break the budget.

Then with the general purpose ground forces, that's where you really have to work hard at striking a balance between irregular war and conventional war. Again, they have to be able to do both. And it's more than just platforms. Again, it's really training and personnel, career paths, and a range of things. But again, as the QDR mandated, that shift to greater emphasis on irregular warfare, that has a number of [inaudible].
A:— combat vehicles so that you can march to Baghdad and then conduct a counter-insurgency when you get there is something that is being determined. As you look at experience, we're very very good at getting there and then the problems get more difficult after you've stayed for a while. So what that mix for those forces, given again constraints on the budget would be in terms of vehicles is something that has to be looked at.

But I think it's really, within each area you have to look at am I making the right investments for this portion of the portfolio to buy me the security I need for this range of problems? $515 billion is a lot of money so we ought to be able to do it.

Q: [Inaudible] special operations [inaudible]. I wanted to ask you what sort of [inaudible] special forces, how important do you see them in terms of [inaudible] security [inaudible] wholeheartedly, and what is the biggest [inaudible] facing? What kind of [inaudible]?

A: The Iraqi special forces are the best unit in the Iraqi army. They're multi-ethnic. They're tremendously cohesive and a very effective unit. If you looked at some of the operations they do, would think US special operations forces were doing them. They're astoundingly effective. They are really the vanguard in a number of ways. They're not only very effective today doing operations, but they're sort of the model for a lot of what you'd like the Iraqi army to become, both in its loyalty to the unified state of Iraq and its internal cohesion, but also their practices, their NCOs play a very large role, non-commissioned officers and sergeants play a very large role in leadership in which is not typical. So it's something we're very proud of and the Iraqis should be proud of.

Q: And what [inaudible]?

A: They attack, their operations are against Shia extremists and Sunni extremists and that varies as the situation occurs in Iraq. One of the challenge with some of these high profile units is protecting their families, the identities of people in security services or the special operations units because they are so effective and they do things theater wide. But as I said, they're very effective. They have the full target set that's threatening the state of Iraq.

Q: Has that shifted as the Sunnis have--

A: Yes.

Q: Are you seeing more Iranian [inaudible]--
A: Again, if you look at it over the past year either from a US special operations perspective or an Iraqi, it's changed somewhat as the political situation has changed because of the Sunni awakening, because of the [JAM] standdown, because of Iranian ebbing and flowing. So the mix changes but they have the full target set.

Q: [Inaudible] more like [inaudible] traditional army soldiers. Is their job a little bit different than [inaudible]?

A: Well the United States has a broader range of special operations capabilities than most countries. Not only a larger force, but a more diverse force in the sense of a wide ranging mission, working by, with and through unconventional warfare, [inaudible] defense, counter-terrorism. Other countries typically narrow that down to commando operations or counter-terrorism. More what we call direct action.

But often these forces have intelligence capabilities either to support their own operations or to do something else for the country.

The Iraqis basically follow the model of commando and counter-terrorism [inaudible]. They do that all the time. Our role is to assist them in that [inaudible].

Q: It's very important that prior to the surge you advised the President [inaudible]. I'm wondering if you could talk about your thinking, and also besides the surge, what more is required to succeed in Iraq?

A: My advice has expanded somewhat over time in terms of what effect you're trying to achieve in what period. But basically, insurgencies have to be won by local capacity and they're fundamentally driven by politics. They take a long time to prevail. So if you look at it from the perspective of a supporting country, then a critical element becomes can I sustain support for the time required? Again, whether I'm doing it indirectly or directly with a small footprint or a large footprint, the calculus may vary, but if it typically takes a decade or more to achieve it, a key measure of success is can I sustain the political support for whatever I'm doing for this government and with these military operations. So that really has been and remains central to my views.

The other thing is military operations are designed to produce a political effect so the politics in a country driven by an insurgency really dictates how things will progress or turn out. And then put constraints on you.

Over the longer haul I still believe that the indirect approach as I described it, sort of irrespective of force levels, is the way we will ultimately succeed.

When you have a country coming apart at the seams as we went through in 2006, then
the temporary effect that can be provided by the direct application of forces can be very very important in that particular circumstance. Again, each insurgency varies not only from other insurgencies in other countries, but in time as well. That doesn't mean that's the approach you want to follow for the next ten years. It's going to be very important to give the government a chance to congeal and then right the security situation a bit.

I don't think it's so much a case of direct or indirect or large versus smaller as it is when to apply which and which will ultimately prove decisive over the long haul, both in our own political system and in the Iraqi system and them the time it takes to defeat the insurgency.

Q: [Inaudible]. Can you describe how [inaudible] in terms of capability and organization and [inaudible]? And can you talk a little bit about how successful the Pakistanis have been in attacking al-Qaida leaders and [inaudible]?

A: Well, al-Qaida's goals remain to catalyze a global Islamist insurgency against the West and to carry out spectacular attacks against the West and the United States in particular. There really has been no diminishment in those goals. They have other goals as well. But in the past year and a half or so there's been an improvement in their capacity to do so as they've enjoyed greater sanctuary in Western Pakistan and as they've reconstituted in some ways.

The Pakistanis are a vital partner in the war on terror. They have been more effective than any other government I can think of in terms of dealing with al-Qaida in the settled areas of Pakistan. Khalid Sheik Mohammed, to others that we've captured there. And from an internal security point of view generally in Pakistan as well.

They have been less effective in the tribal areas of Western Pakistan, and that's the problem we face right now.

Again, they have suffered large numbers of casualties in military operations going into this area that historically they have not conducted military operations again. It is just a difficult problem.

Q: [Inaudible]? Can you talk about the reliability of the [inaudible] forces?

A: Well, how we can help them be effective is I think, as the Secretary said, providing if requested, conducting joint operations with them, whatever that may mean, and also providing assistance. Training assistance is very important, but it could extend to some other areas as well.

What forces we train or partner with from the Special Operations Forces to the regular army to the Frontier Corps, I think all of those have to be looked at. Capabilities we
provide in various areas from night vision to air mobility, again, to ISR, are important aspects as well.

It is again, the tradition of the FATA is self rule. That's the way the place is governed, so I think strategy has to adapt to that and to build capacity in the Frontier Corps. I think the Pakistanis recognize that. I think development is a critically important instrument there. And there's no indication that the Frontier Corps is unreliable as a whole. They're under a lot of pressure. That doesn't mean that you don't have units with less capacity to fight, something we and the Pakistanis hope to address. But overall, they're very committed. Again, you have to adapt to the politics of the local situation.

Q: [Inaudible]?

A: No, there hasn't. The special operations commitment or presence in Pakistan is fairly limited. The violence has been directed at Pakistanis or plotted elsewhere, but it's not something that's affected our posture.

In Afghanistan our special operations forces have done magnificently in the past year in beating back the 2007 offensive, but there's no indications of undue stress on the force say compared to Iraq where things have actually gotten better. If you compare the special operations element in each country, there's [inaudible] so I don't know. I don't think it corresponds to the increase in violence in '07 with the effect on the force.

Q: [Inaudible]?:

A: Generally six or seven months. The other portions of the force have different rotation cycles. So for our conventional forces, as you know, it's been 15 months. For some elements of the force, well, I should modify that. For the army it's been 15; for the Marine corps I think it's 6 or 7; for some of our special operations forces it's six or seven. For others it's three or four months.

They all have their own cycles depending on their needs. For some Air Force units it's three or four months as well. So it depends on what you're trying to maintain back at home station, et cetera. But the bulk of the--let me just leave it at that.

Q: [Inaudible]. What impact [inaudible]?

A: Again, we'd like to see the remainder of the supplemental passed, but I can't speak to that.

Q: You mentioned earlier sort of [inaudible]. [Inaudible] MARSOC Commander said there was some tension between our side and the [inaudible]. [Inaudible]. As the Pentagon starts relooking at rules and issues [inaudible] how do you see that
A: No, I think what you're referring to is MARSOC has developed a requirement, has developed capabilities to train and assist partner forces and then to get the special operations of various kinds, direct addition and others. And as part of the training, advising and assisting, they've also looked at developing an unconventional warfare capability which is really the dominant instrument in that area [inaudible] special forces or Green Berets.

If you look at the relative sizes of the force, there's room for everyone. If you look at Afghanistan in 2001, the CIA played a role. US SOF played a significant role. Navy SEALs from time to time get into this business. So there's been some emotional drama associated with this, but we're going from 270 to 360 active ODAs and the number of MARSOC teams I'd have to get back to you on, but I want to say it's 30, something like that.

This will be an adjunct an important capability, but it's not going to take away, it's not a wrestle for the mission with the army special forces.

END TEXT