

Center for Strategic and International Studies (CSIS)

**State-Defense Cooperation:
Assistant Secretary of State Andrew Shapiro at CSIS**

**Introduction:
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**Speaker:
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**Location:
B1 Conference Center CSIS,
1800 K Street, NW,
Washington, D.C. 20006**

**Time: 10:30 a.m. EDT
Date: Wednesday, August 8, 2012**

*Transcript by
Federal News Service
Washington, D.C.*

DAVID BERTEAU: Good morning, ladies and gentlemen. Please take your seats. It's a nice crowd this morning.

I'm David Berteau. I'm the senior vice president and director of the International Security Program here at the Center for Strategic and International Studies. I have a few administrative details that I'd like to cover with you. I'd like also to thank our viewers on the Web. This is being webcast. We don't tell the audience that until right before the Web so that you all won't stay home and watch, that you'll actually come in person as well. (Laughter.) And during the question-and-answer period, we have provisions for those of you on the Web to be able to send in questions as well.

I'd like to ask everyone to silence your cellphones and other electronic devices. You don't need to turn them off, but keep it so they don't bother us.

It's my privilege this morning to introduce our president and chief executive officer, Dr. John Hamre. Dr. Hamre, of course, as most of you know, has been here at CSIS now for more than a decade. I think we celebrated our 10-year anniversary. We're hoping to keep him here for another decade. And thanks to events like this, it'll help in that regard. And he will then introduce the show.

So Dr. Hamre.

JOHN HAMRE: Thank you, David.

Good morning, everybody. Welcome. We're glad to have you here. I look out in the audience – (chuckles) – I think I know about half of the people here, which is scary. Now, some of you have got real things to do. I'm not sure why – (laughter) – no, I'm delighted you're here and especially grateful that Andrew can join us.

You know, he's come to discuss a topic that isn't often discussed in Washington, and that's how the State Department and the Defense Department work together. Of course, I always used to say, you know, they – these are two organizations; they love each other like brothers, Cain and Abel, you know. (Laughter.) I mean, you know, they each want to kill each other to get the other guy's inheritance. And actually, that's only – that's not entirely true. I mean, I – certainly we did spend a lot of time struggling, I remember.

But when you are in government long enough, you come to realize how inextricably connected we are and need to work together. And yet bureaucracies don't naturally do that. You know, there's a – there is a raw tension about these two institutions working together. So it's been a hallmark, frankly, of Secretary Clinton's tenure, and I would – I would also give great credit here to Secretary Gates, who really started this by saying these two institutions will be so much stronger if they work with each other, you know, rather than against each other.

When I meet with my young professionals, I always ask kind of a rhetorical question: Can you name the two forms of athletic competition where you win by backing up? There are only two. One is tug of war, and of course, that's what bureaucrats do all the time, you know.

(Laughter.) And the other is competitive rowing. And there you win when everybody is synchronized and you're working together.

And of course the challenge in Washington is – I mean, because, you know, Washington is a town where, you know, it's, you know, 14 goalies and no puck, you know. (Laughter.) And so, you know, how do you get things done in Washington? And so when you realize that there is so much strength if two big and important departments will choose to work with each other – and Secretary Clinton, Secretary Gates early on saw this as an opportunity, a lasting opportunity. And, of course, Secretary Panetta has sustained it.

When talking with Secretary Shapiro before we came in, I asked the question, will this last, you know? And, of course, with great optimism, Andrew said, it's permanent, you know. And I certainly want that to be the case. But I think it's important that we realize this is a fragile little flower that's growing in a hostile landscape. And it's going to require support and nourishing from all of us.

I would want to say great thanks to Secretary Shapiro for his service right now. He's come into public life and he's been active in public life for a number of years, came to this having both a background in the law and a background in public policy, and, of course, that's a very, very handsome merging of talents and skills that he needs for this hour. I hope we don't lose him. I – we – he's at that stage in life when most of these guys have to think about family and future. But we can't – we do need to have people like this stay active in the policy world. So anyway – but that's another day; that's another story.

I want you all to welcome handsomely with your applause Andrew Shapiro. Thank you. (Applause.)

ANDREW SHAPIRO: Well, thank you, John. And thank you very much for having me. It is my distinct pleasure to be here at the Center for Strategic and International Studies.

I want to congratulate John and the entire organization on the 50th anniversary of the creation of CSIS. Since its founding, CSIS has been at the center of critical foreign policy and has proved to be a vital resource for those of us in government. So I want to congratulate and thank CSIS for the great work it does, and hope that it experiences another 50 years of excellence.

I can also think of no better place to speak about the work we're doing to improve interagency and in particular State Department-Defense Department collaboration. While this may not be the most attention-grabbing topic, it is of vital importance to U.S. national security – something that I know is well understood here at CSIS. And I know this because a number of CSIS reports have called for better interagency cooperation. In fact, a CSIS report this very July on stabilization and reconstruction noted that “almost all experts cite the need for improved interagency coordination.” So I think I'm in the right place to talk about the significant progress that we're making.

Under this administration, there has been a sea change in State-Defense cooperation. In previous administrations – both Republican and Democratic – relations between the two departments were often characterized by suspicion and distrust. Under the leadership of Secretary Clinton, as well as former Secretary Gates and Secretary Panetta, relations between State and DOD are the best they have ever been. The cooperation between the State Department and the Pentagon is truly unprecedented and I think this will be remembered as one of Secretary Clinton's lasting legacies.

As assistant secretary of state for political-military affairs, I oversee the bureau that serves as the principal link between the State Department and the Department of Defense. And under Secretary Clinton's direction we have been working to make tangible advances to interagency collaboration.

Today, I want to talk to you about some of the significant steps we are taking in the Political-Military Affairs Bureau to strengthen the interagency relationship. We are not simply finding new ways to cooperate; we are also institutionalizing this cooperation to make it lasting and durable.

But before I go into the specific steps, let me first talk briefly about why interagency coordination is so important.

The challenge of coordinating diplomacy and defense is not unique to the U.S. In fact, when I lead political – joint political-military dialogues with foreign partners, I often see other countries struggling with this firsthand. Frequently, I'll hear from someone on the other side about how useful these talks were in forcing their foreign and defense ministries to actually communicate with each other. So the problem of coordinating between agencies is not a unique challenge to just our government.

However, in many ways the coordination challenges are unique and more necessary for the United States. We not only conduct a truly global foreign policy, but we also have a truly global military posture. In fact, the very impetus for creating the Political-Military Affairs Bureau at the State Department came as early as the 1960s. As the U.S. was expanding its global presence during the Cold War, the State Department felt that it not only needed a bureau to focus on security from a global perspective, but it also needed one that would serve as a dedicated link to DOD.

The need for State and DOD to coordinate has become even more essential today. In a world that is increasingly interconnected, with global supply chains, highly developed global financial systems, and unprecedented global travel and connectivity, the potential impact of both state-based and transnational threats has become magnified. As Secretary Clinton observed: "The geometry of global power is becoming more distributed and diffuse even as the challenges we face become more complex and cross-cutting." The complex and cross-cutting nature of today's challenges was all too evident in Iraq and Afghanistan, and is a feature of transnational challenges, such as piracy off the Horn of Africa.

The need for a more multifaceted and integrated approach to address these challenges is clearly understood by Secretary Clinton. At her confirmation hearing, she outlined the need for what she called smart power – noting that we must use “the full range of tools at our disposal – diplomatic, economic, military, political, legal and cultural – picking the right tool, or combination of tools, for each situation.” She also noted that “with smart power, diplomacy will be the vanguard of foreign policy.”

Secretary Clinton also understands that improving the State-Defense relationship is fundamental to advancing this approach. This view was deeply shared by Secretary Gates, who had long sought to improve relations and was a strong advocate for the State Department on Capitol Hill. Both understood that improving relations starts at the top. At a joint appearance in 2009, Secretary Gates noted that through most of his career the secretaries of state and defense often “weren't speaking to one another.” “It could get pretty ugly,” he remarked. When those at the top are engaged in internecine bureaucratic fighting, it can filter down the bureaucratic chain, choking off cooperation. But as Gates said, the reverse is also true: “If the bureaucracies realize that the principals get along and work together, it radiates downward.”

The close coordination among principals can create a broader culture of collaboration between respective agencies, where energy once spent fighting turf battles can instead be devoted to getting things done. This strong relationship between secretaries has continued under Secretary Panetta, who in one of his first public appearances as secretary of defense argued that the State Department’s budget “is absolutely essential to our national security.” As you may have noticed, you don’t see many stories in the press of policy disagreements in this administration descending into bureaucratic backstabbing – and that’s for a reason. The working relationships are better than ever.

This is important because the partnership with the Department of Defense spans the entirety of regional and functional diplomacy at the Department of State. Counterterrorism, counternarcotics, counterproliferation, energy security and counter trafficking are just some of the areas in which we work together. Interaction occurs daily, and crosses the full spectrum of activities. In the broad area of foreign policy in the security sector, it is impossible to find an instance where State-DOD dialogue is not occurring.

But while the improved relations at the top have been widely noticed, what is less recognized is that Secretaries Clinton, Gates, and Panetta have also pushed us to make tangible advancements to find ways to improve, expand and institutionalize collaboration.

So now let me turn to some of the tangible steps we are taking to improve interagency cooperation.

One of the principal ways we are improving collaboration is through personnel exchanges. Foreign policy and diplomacy is about building and tending to relationships. This is what the State Department does. But for too long, we weren’t building this sort of durable relationship with our partners across the river. Contact and communication were stovepiped. Counterparts working on the same issues often didn’t know each other. One way we worked to change that is through increased personnel exchanges and interaction.

This past January, State and DOD signed a new memorandum of understanding, which effectively doubles the number of personnel exchanged between our departments. This was no easy task. The coordination process took two years of continuous back-and-forth. Once the agreement was finally signed, a general who was working with me and my team noted that something this bureaucratically difficult and complicated to complete was going to last a long time. (Laughter.) And that of course is the point.

Under the prior personnel exchange agreement, the State Department was actually sending more people to DOD than DOD was sending to State, despite the size – the dramatic size differences between agencies. Under the new arrangement, approximately a hundred DOD personnel will be detailed to State, while approximately 95 State Department foreign policy advisers will be assigned to DOD. In addition, 30 State personnel will also serve as faculty advisers at the war colleges.

Among the key positions newly created by this expanded agreement is the first-ever foreign policy advisor to the chairman of the Joint Chiefs of Staff. Also under the agreement, a two-star flag officer is to serve as a deputy assistant secretary in the Political-Military Affairs Bureau. And we have General Waldo Givhan serving today as that two-star flag officer.

Prior to this administration, State hadn't had a flag officer serving as deputy assistant secretary since George Shultz was secretary of state.

The State Department will also benefit greatly from the expanded number of military officers that will serve in Foggy Bottom. A number of them are currently working in my bureau and throughout the State Department, and they provide us with critical insight and expertise into the methods and practices of the military.

The agreement also, importantly, institutionalizes the growth of the Foreign Policy Adviser Program. Foreign Policy Advisers, also known by the acronym POLADs, are foreign service officers that are assigned to serve with military commands. Their job is to serve as foreign policy advisers and to act as a link between military commands and the State Department. They play a critical role in making sure that the U.S. government speaks with one voice as they help ensure that DOD policies and military activities are in sync with U.S. foreign policy.

The growth of the program over the past several years has been remarkable. In the last four years the number of POLAD positions has approximately doubled. It was just a few short years ago that POLADs were found only with the four-star service chiefs and with the combatant commanders. Now POLADs are posted to every service headquarters, to every unified combatant command and to the majority of component and subordinate commands. Recently U.S. Africa Command voluntarily funded four additional foreign – State foreign service officers to serve in directorates dealing with regional affairs, counterterrorism and public diplomacy. The POLAD presence with other commands, such as U.S. Special Operations Command, has also expanded.

This is a testament to their increasing utility to our military leaders. Military commanders now rely on the input of POLADs on a whole host of issues. For example, when the Haiti earthquake struck, U.S. Transportation Command, or TRANSCOM, dispatched its POLAD to help coordinate humanitarian relief on the ground. He spent eight weeks eating MREs and living in a tent next to a runway right along with his DOD counterparts. He helped ensure that USAID and others bringing supplies got where they needed to go and were synced with the TRANSCOM team that was keeping Haiti's damaged main port open.

Many of the POLADs assigned to commands are very senior foreign service officers, including former ambassadors. But one challenge we faced as the program grew was with – that we needed to attract more junior and midlevel foreign service – foreign service officers to a job that had not necessarily been seen as career-enhancing. This is where Secretary Clinton's emphasis on collaboration with DOD and her support for the program, describing it as more essential than ever, has helped increase its profile and attract talented officers. This is critical not just because we're trying to fill positions, but because junior and midlevel foreign service officers have decades of service ahead of them. And the knowledge, connections, friendships and political-military skills they will develop during their tours as POLADs will help strengthen the linkages between State and the Pentagon not just for the next few years but for decades to come.

During the past decade many State Department officers gained experience working with the military in Iraq and Afghanistan. But with the withdrawal from Iraq and the drawdown in Afghanistan, there are now fewer opportunities for State Department officers to gain experience working with the military. The POLAD program is therefore essential to maintaining and developing a cadre of pol-mil-savvy foreign service officers which over the coming years and decades will foster even deeper integration with the Defense Department.

Additionally, through the State Department – through the State-Defense defense – State-Defense Integration Initiative, the State Department has dramatically expanded the number of events, seminars, conferences and briefings it holds for military personnel. Thousands of DOD personnel, from three- or four-star flag officers to enlisted personnel, are now coming to the State Department to learn more about how it works and to hear from State Department experts. In 2012 we'll host 80 seminars and conferences for different DOD organizations at the State Department. And we are looking for new ways to engage. For instance, we recently arranged for a State Department desk officer to brief deploying Marines by video teleconference before they departed. In the past these sorts of events were ad hoc. Today we're working to both dramatically expand the number of events and make them routine.

A second area where we are increasing cooperation is planning. State input into DOD planning has increased substantially. Through new and existing initiatives such as 3D Planning Group, interagency planning events and military advisers assigned to the State Department, collaboration between State and DOD continues to expand and mature.

One important recurring forum for State input into DOD planning is what we call the Promote Cooperation series of interagency planning events. These events allow State as well as other departments and agencies a chance to review and provide input to DOD plans.

State has also increased its involvement in DOD strategic planning guidance and the Quadrennial Defense Review. The Political-Military Affairs Bureau, or, as we call it in the State Department, PM, leads State efforts to help shape U.S. global defense posture. After current operations, defense posture is the most politically sensitive issue for U.S. foreign policy, since any adjustment sends a signal, intended or not, to our allies, partners and potential adversaries alike. The State Department's involvement in this area is critical. As U.S. global defense posture continues to evolve, PM plays a vital role in linking office within the State Department with planning efforts at DOD. This includes providing State input into overseas force structure changes, posture master plans, theater posture plans and, as appropriate, the discussion of defense posture matters with our partners as part of bilateral political-military dialogues.

We also coordinate State's participation in DOD exercises. These are often the single greatest demonstration of our commitment to the security of our allies and partners and can be very diplomatically sensitive. The State Department therefore reviews all and every significant military exercise to ensure they advance U.S. foreign policy. For example, U.S. Pacific Command has hundreds of thousands of troops in the Asia-Pacific region. At any one time there are some 40,000 service members sailing around the Pacific and Indian Oceans aboard U.S. Navy ships. It is vitally important that the employment of these forces, whether pertaining to the exercises in which they participate, the ports of call they visit or the security cooperation engagement they facilitate, be closely planned and coordinated with State on a consistent basis.

This engagement is also a two-way street. From Secretary Clinton's experience serving on the Armed Services Committee in the Senate, she saw the effectiveness of DOD planning efforts. And when she became secretary of state, she sought to apply some of these practices to the State Department. The Quadrennial Diplomacy and Development Review, or QDDR, was modeled after the Quadrennial Defense Review, the QDR, and it laid out the need for reforms to State's strategic planning processes. We are in the process of implementing these reforms to our planning system, which will provide greater opportunities for State and DOD, as well as other U.S. government agencies represented on embassy country teams, to improve cooperation.

Third, we are working with DOD to improve our ability to partner with other countries in the security sector. Building the security capabilities of our partners is a critical national security priority. And we are working closely with DOD as well as Commerce and Department of Homeland Security to update and modernize our export control system to better protect our sensitive technologies as well as to improve our ability to partner.

We are also well-synced with DOD as we strengthen our security partnerships in Asia, particularly by expanding defense trade with long-standing allies and new emerging powers in the region. In Iraq, we completed the largest military-to-civilian transition since the Marshall Plan.

The State Department also negotiates all security agreements, including status of forces agreements, defense cooperation agreements, access and transit agreements and cost-sharing agreements. These help ensure freedom of movement of U.S. forces and are a key part of U.S.

global defense posture. We have made significant progress in developing the Northern Distribution Network, which has proved critical to support U.S. forces in Afghanistan.

Critical to expanding and strengthening our partnerships is U.S. security assistance. Security assistance includes a broad array of tools, from direct military grant assistance to licensing the sale or transfer of military items or equipment to peacekeeping training programs as well as support for demining efforts. The State Department has the lead in directing and managing security assistance because these programs have broad foreign policy implications. That's why the Arms Export Control Act and the Foreign Assistance Act require that the secretary of state oversee and authorize all arms transfers.

However, over the last decade the sometimes urgent need to provide security assistance to our partners led to the creation of new authorities and funds, often under DOD control. Concerns arose that State authority was eroding and a confusing array of authorities and programs was being created. In response, we have been working with DOD to improve coordination as well as to improve U.S. government ability to provide security assistance to partners.

A clear example of this is the creation of the Global Security Contingency Fund, or GSEF. This fund serves as a new business model, emphasizing collaboration and the interrelated nature of defense, diplomacy and development. It is innovative in a few ways. One particular way is how the GSEF is funded. What makes GSEF unprecedented is its requirement to pool resources. Last year Congress authorized GSEF's formation, enabling State and DOD to pool up to \$250 million in resources. Given the resource disparity between the agencies, DOD can allocate up to 200 million (dollars), while State has at least – while State at least 50 million (dollars). Rather than two departments fighting over resources, this fund makes us work and contribute together.

Another innovative aspect of GSEF is its joint structure. Housed at the Department of State, the fund will be staffed by personnel from State and DOD and can pull in people from other relevant agencies as well. The director of the fund is from the State Department, and the deputy is from DOD. Additionally, the fund requires that both the secretaries of State and Defense approve the countries eligible for funding through GSEF. We believe the joint structure will encourage joint planning and ensure we are working on the same page.

GSEF is also innovative in its ability to respond to unanticipated events. GSEF is designed to provide security sector assistance to partner countries in response to urgent and emergent challenges and opportunities. Currently, many existing programs are planned and budgeted years in advance and are not always able to respond quickly to emerging events or to help countries address urgent needs. GSEF provides us with the agility and resources needed to respond rapidly to crises. When a crisis erupts or an opportunity presents itself, we will no longer be starting from scratch, arguing in the interagency over who has what authority and who has what capability. We will simply be able to get started.

We are now working to stand up the fund and to identify the first recipient countries. Importantly, this fund will preserve the secretary of state's leadership and authority over security

assistance while at the same time leveraging the resources and planning capability of the Defense Department.

A fourth and final area where we are working closely with DOD and other interagency partners to improve coordination is in addressing transnational global security challenges. Let me provide you with a few examples that are emblematic of the types of interagency approaches necessary to effectively address transnational security threats.

When the conflict in Libya unfolded, we worked closely with DOD and our interagency colleagues to combat weapons proliferation. Through the interagency MANPADS Task Force, which focuses on combatting the proliferation of shoulder-fired anti-aircraft missiles, the State Department led the effort to combat MANPADS proliferation in Libya. Sometimes the State Department is accused of not being deployable when a crisis strikes. Well, in the case of Libya, we had a State Department MANPADS expert on the ground in Benghazi as fighting was still going on. We also deployed our quick-reaction force, which is made up of teams of experts, to assist the Transitional National Council in securing and destroying these weapons. As the violence grows in Syria, the MANPADS Task Force is building off its experience in Libya to plan and prepare for possible contingencies in Syria.

We're working together to combat piracy off the coast of Somalia. While piracy on the high seas is not new, its modern-day form is a prime example of a security challenge that cannot simply be solved through military means. When this administration came to office, piracy was spiraling out of control. In response, we drew on all components of our national power. We ramped up our naval response, helped build an international coalition with more than 70 nations, pushed industry to do more to protect itself at sea, and we pursued pirate networks by targeting financiers. This means Justice, FBI, Treasury, State, USAID, Defense and the private sector are all involved. This is smart power in action.

And these efforts are paying off. Successful pirate attacks are down dramatically. In 2011, we had 50 percent fewer successful attacks than in 2010. And there has been a 70-percent decline in hostages held since January 2011.

The United States has also become a leader in training and supporting international peacekeepers, which is critical to advancing stability and denying space for terrorists, pirates, traffickers and other transnational actors to operate. The principal U.S. mechanism for assisting peacekeeping operations is a security assistance program called the Global Peace Operations Initiative, or GPOI, which helps train prospective U.N. or international peacekeepers. This program has contributed to the training of more than 206,000 peacekeepers since 2005, of which roughly 80 percent have deployed to serve in peacekeeping operations, while others are serving as trainers or administrators overseeing their countries' peacekeeping deployments.

GPOI is also a prime example of an effective and productive partnership between the departments of State and Defense. Currently DOD implements approximately half of the GPOI program's efforts to build peacekeeping capacity in partner countries through the regional combatant commands. The State Department implements the other half, primarily through the

Africa Contingency Operations Training and Assistance, or ACOTA, program. This effort is helping the world meet the growing demand for international peacekeepers.

Before I close, it's important to note that while we are making progress, many challenges remain. I'm sure many here in the audience could point out areas where coordination could be improved and where collaboration is lacking. We will never have perfect coordination. There is always more that can be done. Going forward, we will need to lock in the progress we have made and constantly work to develop and institutionalize our cooperation. While the State Department's involvement in planning has significantly expanded, there is still room to grow and regularize our involvement. In the years ahead, we will also need to work to preserve and maintain State Department authority over security assistance, which is a critical foreign policy tool.

Additionally, responding to transnational challenges will require us to work closer than ever before. We are seeing this in the multiagency response to Somali piracy and through the Merida Initiative to support Mexico's efforts to combat narcotrafficking. Our responses to new transnational threats will need to become less ad hoc and more regularized, as these are all security threats that lack pure military solutions.

One of the biggest challenges for State-DOD collaboration is the sheer difference in size and resources between our two respective departments. It can be as obvious as when we host a simple meeting and find ourselves outnumbered by our DOD colleagues. This asymmetry in the relationship can even become counterproductive when our respective activities in the field fall out of proportion, which is part of the reason that the QDDR stressed the importance of chief-of-mission authority. Our ambassadors in the field, the chiefs of the U.S. mission, are responsible for overseeing U.S. activities and personnel in a given country and ensuring that all the elements of national power are working in sync. After all, we're all on the same team, working hard to advance our economic prosperity and our national security.

Unfortunately, there remains a lingering misperception that funding for the State Department isn't as essential to strengthening our country's national security. Of course our defense colleagues know better. Just ask Secretary Panetta or General Dempsey. They understand that investments in development and diplomacy today will make it less likely that we ask our troops to deploy tomorrow. It's important that elected officials too understand that the State Department and USAID, with just 1 percent of the federal budget, make (an outsize ?) contribution to keeping America safe. And it's important that we fund them accordingly. It will save us both blood and treasure.

In this era of complex and integrated challenges, it is more important than ever that we continue to improve State-DOD relations. I believe that the tangible progress we've made under Secretaries Clinton, Gates and Panetta is durable and will have a lasting impact, but ultimately, strengthening the State-Defense relationship is just like strengthening any relationship; it requires constant tending and constant effort.

Thank you very much, and I look forward to the discussion. (Applause.)

MR. HAMRE: Thank you, Secretary Shapiro. That was a fascinating tour through the entire landscape.

I would remind our audience here and on the Web, if you go back to 1947 and you look at the creation of the original national security establishment, which two years later became the Department of Defense, part of the motivation for integrating the military establishment was to protect it against the behemoth of the Department of State. (Laughter.) And so over time, these things do shift a little. You know, the see-saw may be the same size as it was, but the fulcrum is in a different location now. And I think what you have outlined is a re-establishment of an equilibrium that is long overdue.

Let me refresh your memory of the way in which we entertain questions from the audience here. We have microphones, and we have those staffed. If you raise your hand, I will recognize you for a question. I won't recognize everybody in order, but I'll recognize you for a question. You wait for the microphone, and then what you'll do is you'll state your name, state your affiliation and then ask your question. I would ask you to limit your questions to questions, not dialogue. It's too large a group for really a dialogue, and we don't have that much time.

So let me now – and also for those of you on the web, you can email questions to dberteau@csis.org. Although my phone is silent, it is working, and I will pick up your questions and ask the good ones.

Let me start, actually, on the back here, on the left side, if you will. My left, your right.

Q: Thank you. Robert Hunter, former CSIS, RAND and NDU. Thank you very much for, I thought, an amazingly comprehensive and forward-looking and statesmanlike presentation.

This is a town called Follow the Money, and I appreciate what you said at the end, but just to dramatize it, the ratio between money for the military and the money for everything else is 17 to 1. You mentioned what the GCEF (sic) – I note that it is only three one-hundredths of 1 percent of the defense budget. What is being done by the administration or by the Congress to help the resources go in directions so that you folks can do the job that you're trying to do?

MR. SHAPIRO: Well, thanks for that question. And obviously, we're in budget challenged times, where we have to make the best possible case for every dollar. And Secretary Clinton has been making that case since she came into office, and we've seen the State Department resources, you know, not suffer as badly as they probably would have if she wasn't making that case.

Initially, we were able to see increases, and now, in the budget constraints that we have now, we're looking to maintain our budgets to be able to continue to do what we need to do.

Now to be clear, you know, there will always be a bit of a disparity in budgets because DOD just has more people and more things that cost a lot of money, but at the end of the day, what we need to make sure is that the resources that we both get are not working at cross purposes and that the State – secretary of state's authority over foreign policy is not in any way

undermined by resources being used in a way in which would contradict U.S. foreign policy or State Department's leadership over foreign policy.

And that's where the GSCF provides a very useful model, and it's – granted, it's just 250 million (dollars) now, but we'll see. If it's successful, it has the capacity to grow, but we're – Congress wanted to see if it works before they gave us, you know, more money. So our challenge is to make it work and to show proof of concept, and then hopefully, if it demonstrates its value, have the ability to be used more expansively.

But at the end of the day, the model, which has joint teams but under State Department leadership, state director, preserving the secretary of state's authority over security systems and foreign policy, is a useful model that prevents us from having to get into arguments over budget and which authority and which fund, but has us working collaboratively.

Q: Let me do a follow-up from our webcast on the same question there. Could you describe – as actually two different people have asked two different versions of this question – can you describe the difference between the Global Security Cooperation Fund and the section 1206 program?

MR. SHAPIRO: The Section 1206 program is a Department of Defense appropriation that can be only used for counterterrorism purpose. If it can be used for counterterrorism purposes, it's also used to help allies who are going to partner with us in Afghanistan. But it is – it can only be used with ministries of defense, and the Global Security Contingency Fund is – has a broader portfolio. It can focus on ministries of defense, ministries of interior. It's designed to provide a comprehensive approach to the security sector where there are urgent and emerging challenges.

The idea is that just focusing on one ministry in a country in crisis may not be enough, and you need a comprehensive approach. So the goal is to have both agencies working on a comprehensive approach and, if necessary, bringing in other agencies to help on perhaps rule of law issues.

MR. BERTEAU: Let's get a few down here in the front. We'll take the front row and then the one right behind and then we'll come across.

Q: Thanks, David.

Sir, thank you very much for an excellent presentation. My name is Erik Leklem. I'm from the Office of the Secretary of Defense. And I want to applaud the initiatives that you've launched at the State Department. We just recently had some of your planners over to the Pentagon to brief us on the new planning system. So thank you.

My question stems from observations in Afghanistan. I was – recently returned as an adviser in the Afghan Ministry of Defense, and I observed breakdowns in interagency collaboration for oversight and implementation of our efforts there.

For our security sector reform, capacity-building efforts in the Afghan Ministry of Defense, there seemed to be a dearth of collaboration between State, USAID and the military, specifically on issues like building a civil service cadre in the Afghan Ministry of Defense, but also in terms of the design of the development plan for the ministry as well non-standard assessment methodologies. And I'm just wondering if you could comment on this breakdown in implementation in the field after 10 years of work in Afghanistan.

How is this possible, especially after improved efforts at the planning level for civil-military affairs in Afghanistan? Thank you.

MR. SHAPIRO: Well, I think that one of the reasons that the secretary instituted the QDDR was to look at the lessons of both Iraq and Afghanistan and see how they should apply going forward. And I think, you know, there were a number of different organizational and resource changes as a result of the QDDR – creation of a new Bureau for Conflict and Stabilization Operations designed to provide a focal point within the State Department, lead interagency efforts along these lines, try and prevent some of these breakdowns. So it's – we've tried to conduct lessons learned out of both Iraq and Afghanistan in order to ensure that whatever problems exist in interagency coordination are not repeated and, hopefully, prevented in the future.

Q: Charlie Stevenson, SAIS. This is a very encouraging report. Thank you for it. I would point out, by the way, that the year before the Korean War, the State Department budget was equal to half the Pentagon budget.

I have a little factual question and a bigger policy question. The factual question is of the 100 people who are moving between departments, about how many of the DOD 100 are officers as opposed to civilians, and of the State, how many are foreign service officers, as opposed to State Department civilians?

The broader question is what changes in law do you need either to make this permanent or to make further progress?

MR. SHAPIRO: On the first one, the vast majority are officers. I think, you know, there's perhaps a couple of enlisted, but the vast majority are officers coming to State. And on the – by the same token, the vast majority of political advisers are foreign service officers. Occasionally, we have, you know, somebody from one of the other – you know, from the foreign commercial service who have particular expertise serving as – and occasionally, we have a civil servant, but it's for the most part a foreign service officer program that has – that is bid on. These are part of the foreign service bidding cycle.

So in terms of what legislative changes do we need, I think that, you know, we've talked about the Global Security Contingency Fund. I'd – you know, I'm hopeful that, right now, it's a reprogramming authority. I'm hopeful if we demonstrate the proof of concept, that we'll be able to get a standalone appropriation for it.

As – in terms of the exchanges, we’ve been able to do most of it through just our – negotiating through the bureaucratic wickets of each department. And, you know, as I mentioned during the speech, that was challenging. But – and I think that at the end of the day, you know, we can do this. It’s hard to work the bureaucracy, and when I worked on the Hill, we were trying to think of ways to provide incentives for departments to engage in this type of interagency cooperation. And certainly, you know, the things that provide incentives for this type of cooperation are welcome.

Q: Hi, my name is Hadas, I’m from POLITICO. Question – everyone’s talking about sequestration. What effect do you see that happening or having – or having now on your relationship with DOD?

MR. SHAPIRO: Well, I mean, we’re – it’s – you know, we’re one administration, and everybody – all – it’s across-the-board cuts. DOD will not be the only agency that is hit by sequestration. State Department will too. And the point that I tried to make during the speech is State Department is a national security agency too. I mean, we – our embassies have been on the front lines in the political changes in the Middle East. When there’s, you know, disasters abroad people turn to the U.S. Embassy, you know, the American citizens abroad. I mean, we are – we are helping to save lives every day, and if we suffer these across-the-board cuts, it will have an impact on U.S. national security. So it’s – every Cabinet department will suffer if sequestration happens, which is why the administration has been encouraging Congress to avoid sequestration and come up with a solution, because the consequences would be – would be damaging.

MR. BERTEAU: We’ll have another discussion on sequestration later. After it’s been avoided we’ll talk about how – (laughter) – let me call on this gentleman in the front row here.

Q: Hi. Jonathan Broder from Congressional Quarterly. I have a quick follow-up question and then a broader question. The follow-up is the Global Security Contingency Fund – does that come out of the Defense approps bill or the State approps? And the second question is could you give us examples of how the State-Pentagon cooperation is working as you look toward the endgame in Syria?

MR. SHAPIRO: On the first, you know, the authority was provided for the Global Security Contingency Fund in last year’s – I think it was last year’s omnibus. The FY ’12 omnibus provided the authority. The funding – you know, each department is responsible for finding the resources to put into the fund. And so, you know – and that’s not specified. It did – it did – offers the authority to take certain funds and move it into the – into the Global Security Contingency Fund, but it’s each department’s responsibility to find that.

On Syria, I mean, obviously, this is an area where we are doing a lot of contingency planning. My bureau is particularly focused on the potential proliferation of conventional weapons, including MANPADS. There’s also chemical and biological weapons. So there is a robust contingency planning effort that – interagency effort, and we are, you know, discussing it with our colleagues across the river on a continuous basis.

MR. BERTEAU: I have two questions from the Web that I'd like to insert here. One is actually – concerns a recent piece by David Ignatius on Ambassador Cameron Munter's authorities or – in Pakistan and some of the challenges he had there. And you mention one of the important elements of this process is to sustain and strengthen the authority of the secretary of state in foreign policy matters. While not necessarily addressing each of the specifics in that, if you would comment a little bit about particularly the ambassador's authority over DOD and intelligence outfits.

And then a related question has to do with lessons learned from the transition in Iraq. You've mentioned that, and you mentioned applying lessons learned to the upcoming transition in Afghanistan and planning for that transition. Could you specify what some of those lessons learned are and how they're being implemented?

MR. SHAPIRO: Well, on the lessons learned, you know, as I mentioned, you know, the QDDR really tried to take a close look at what capacity did the State Department have to be able to play in conflict situations. So we really tried to work to better prepare the State Department to be able to engage in conflict situations where necessary, sort of, you know, leading up to the – right, you know, to the crisis, as well as, when a crisis happens, to be able to deploy resources appropriately and adequately.

So as far as, you know, chief of mission authority, I mean, this is – was crucial to the QDDR. It referred to the chief of mission as a CEO. And they're not just an ambassador overseeing foreign service officers; they are overseeing the entire interagency. And you know, it was – the QDDR and the subsequent conferences that the secretary had on – for global chiefs of mission – she had the first Global Chiefs of Mission Conference, where all ambassadors came back to the State Department to talk to each other and to talk to – to hear presentations about how to be this CEO. And the idea is you're not just overseeing State Department officials; you're overseeing the interagency, and it's your responsibility to manage the embassy like a CEO and be aware and – of everything that's going on under your watch. And the best ambassadors do that. And we're trying to encourage all ambassadors to do that.

MR. BERTEAU: We've only got time for one more question. I believe it will be over here.

Q: Good morning. My name is Billy Birdzell from Third Way. And I'm so impressed and really think it's great of how much exchanges there are and how much cooperation there is at the very high level. You didn't talk at all about what happens at the tactical level and coordination, like, on the deck and in the field. And along the lines of the CORDS program in Vietnam and the PRTs in Iraq and Afghanistan, what is the State Department doing going forward to try to integrate the – you know, the SOF team that's out in the – out in the field or the – or the brigade that's conducting a contingency operation somewhere in the world?

MR. SHAPIRO: This is, you know, where I talked a little bit about the expansion of the POLAD program is moving to, you know, component and subcomponent commands. And we've just added a number of political advisers to the special – to various component commands under Special Operations Command to be able to offer them that type of advice. You know,

where – as – when you talk about, you know, at that level in a crisis, having somebody who's able to deploy along with them, I think we're taking it case by case.

And this new Bureau of Conflict and Stabilization Operations has already been deploying, you know, people on the ground, for example, in – you know, in Africa, you know, where some of the crises (sic) are emerging there. And so I think that we have taken a look at, you know, given that we've withdrawn from Iraq and are drawing down in Afghanistan, you know, what should the – role should the State Department be playing? And a lot of it will be as these conflicts arise, we'll be looking to find the right people who have the right expertise who will be able to work alongside our interagency colleagues.

MR. BERTEAU: Ladies and gentlemen, you heard Secretary Shapiro at the beginning say this is not a topic that arouses a lot of interest. I think both this event this morning and the fact that we've got at least 20 questions yet unasked in the audience, another dozen on the Web – and as he was talking, in case nobody had any other questions, I wrote down about a dozen of my own. (Laughter.) I really regret that we've reached the end of our time, but I know your schedule is – has got some sanctity to it, and we need to honor that.

I want to express on behalf of CSIS our gratitude to you for coming here and engaging in this discussion this morning. This is clearly a topic that is not yet finished. We're all going to need to continue working on it. We want to invite you back for a progress report and an update on a monthly basis – (laughter) – so that we can keep track of this.

Thank you very much. Please join me in – (end of audio).

(END)