

**Center for Strategic and International Studies (CSIS)
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Keynote Address

Moderator:

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Speaker:

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Vice Chairman, Joint Chiefs of Staff**

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JON ALTERMAN: OK, folks, I'm sorry to interrupt the conversations. And it doesn't look like I'm interrupting the conversations. (Laughter.)

OK. We are on borrowed time, and I'm borrowing it from Admiral Winnefeld. And I don't want to cheat myself and I don't want to cheat you. So I want to say thank you. Thank you all for coming; delighted to have you here. This is the third Global Security Forum.

I want to especially thank our friends from Finmeccanica that make this possible for us to bring to the Washington policy community. They've been our partners now for three years, and we just greatly appreciate that. And Simone Bemporad, I would like to say a special thanks to you. You've been steering us through this, and we're very grateful for that.

We have a wonderful program today. I hope that you're going to be staying with us. But it's always best to start with dessert first, and that's what we're going to have when we have a chance to hear Admiral Winnefeld.

But before I do that, I want to turn to my very good friend, Bill Lynn. Bill is now the new president of Finmeccanica.

Bill, why don't you come up here just for a few words of welcome. Thank you.

WILLIAM LYNN: Thanks, Jon.

It's great to be back here. I was here last year in a different capacity; here this year as the CEO of DRS Technologies, representing the broader Finmeccanica; joined DRS two months ago, and we're in the process of consolidating all of Finmeccanica's North American defense operations -- DRS, Alenia, AgustaWestland -- into a single integrated entity in the United States that'll be better able to support the Department of Defense and, most importantly, the American war fighters.

We're pleased with Simone and the team at Finmeccanica North America to be able to sponsor this conference again. It's especially a pleasure to partner with John Hamre, who's had such a tremendous stewardship here at CSIS and really established CSIS as one of the foundational leaders in national security policy in Washington.

They always tackle the hard problems. They develop practical solutions. And then, perhaps most importantly, they build a broad consensus for those solutions. I think you're going to see a taste of that today. There's, I think, an incredible range of issues, and you're going to see the range of talents and expertise that CSIS brings to the table and the kind of intellectual firepower they're able to pull across Washington.

I won't spend any more time describing it. Instead, why don't we get right to it? Let me turn it back to Jon to introduce Admiral Winnefeld.

MR. ALTERMAN: Thank you, Bill.

A couple of just technical announcements before we get started. First of all, if you've got a cell phone and it's not on silent stun, please put it on that right away. We don't want to have this interrupted with twiddle tones and all that kind of jazz.

We are tweeting. I can't believe I'm saying this. (Laughter.) We are tweeting @CSIS_org. And we are using the moniker #GSF2012. So if anybody wants to tweet me, I'm not sure I'm looking forward to that, but we'd be delighted to have it.

And then, finally, you see the program. We're going to after -- Admiral Winnefeld is with us, and he's going to be taking questions from all of you. I'm not going to queue it. This way he can decide if he wants to ignore you. But when we get done with that, I'm going to have to ask people to kind of leave here.

We have to break this room into two, because the subsequent sessions -- and we've got about a half hour, and it's a little bit just called networking time, so get out, get some coffee. Let us reconfigure the room, and we'll take care of that. And lunch is going to be served as a brown bag, really, because we don't have time to schedule a lunch for it. And you'll use that and just have lunch at the last session.

So let me turn now formally to say how pleased and honored I am that we're able to welcome Sandy Winnefeld here for -- to be our keynote speaker. I have only come to know Admiral Winnefeld since he became -- well, J-5 is when we first met. Then he became a J-3, and, of course, now is the vice chairman. He went out to NORTHCOM as well. And so it's only at the pinnacle of an incredible career that I've had a chance to experience this remarkable officer. He's an NROTC grad, which is, I want to say -- you can make it without going to the academy in the Navy, obviously; and a Tomcat pilot, very distinguished career.

But he's -- from the first time I've heard his name, it was always this is a man who's destined to the very top. And I thought I'd better meet this guy, you know. And I will tell you, it was a dazzling experience. And he's the kind of intellect that, frankly, right now we need.

We're at a point in time where, you know, not only is the resource picture for the department changing, but the global security environment is becoming dramatically more complicated. And we're very, very fortunate to have a man of his character and intellect who's willing to lead us at this critical hour. So without delaying your opportunity to hear from him, I introduce to you Admiral James Winnefeld. (Applause.)

ADMIRAL JAMES WINNEFELD JR.: Well, good morning, everyone. Come on, spice it up a little bit. Good morning. (Laughs.)

AUDIENCE: Good morning.

ADM. WINNEFELD: And thank you very much, Jon, for that very, very kind and undeserved introduction.

I'm going to take a slight drift here. And, you know, I have to be very careful in my position about saying great things about defense contractors in public, but I will not hesitate to say thank you to Finmeccanica, not only for sponsoring this, but more importantly, to me and to my wife Mary and to the joint force, for doing a few things for our wounded warriors. They hosted a wonderful evening at the Italian embassy for our wounded warriors, and that started Mary and myself, actually, on a journey that we have not looked back on in supporting those wonderful men and women who've served our country so well. So thank you very much for that. (Applause.)

And thank you for inviting me to be part of the 2012 global security forum. It's truly one of the preeminent dialogues in this city on the challenges and opportunities facing our nation's security. I only wish that my calendar would permit me to stay here all day long to witness some of the panels that you're going to have. It would really be a privilege for me to hear some of the greatest minds of our time in what I'm sure will be a set of invaluable discussions; names like Brzezinski and Scowcroft on the dynamics of the Turkey, Iran and Russia relationship. It's hard to match the quality of the discussions found in a forum like this.

Unfortunately, as many of you can appreciate, the one-hour trip that I'm going to have today across the Key Bridge is the extent of my Pentagon work release program today. (Scattered laughter.) So I'll have to rely on my spies to give me all the insights that you come up with today, especially if you come up with anything big during your discussion on sequestration. Please let me know how that goes. (Laughter.)

Before I go on, please let me congratulate CSIS, not just for putting together today's event, but on your 50th anniversary -- 50 years of independent, bipartisan analysis of the most challenging security issues we face. CSIS has come a long way from your original home just a few blocks away at Georgetown University under Arleigh Burke and David Abshire to a thriving organization in the heart of D.C., and soon enough to your new green headquarters on Rhode Island Avenue.

So, John, congratulations to you and the entire team, and good luck with the bright future ahead for your next 50 years.

So to the business at hand. We sit here peacefully this morning, colleagues in this grand ballroom, while a city of dedicated public servants at the Pentagon, the Department of State, the national security staff, USAID, Energy, and many, many more locations are hard at work, churning away on the issues of the day, including a few that you'll hit through the course of today.

Mostly, we're working on the wolves closest to the sled. That's the nature of this town. But as hard as it is, we're trying to take the longer-term view on a few other items. The key, of course, is to keep constantly in mind the nation's vital interest, keep that at the forefront, ranging from the particular to the universal, including, in my personal view, national survival through defense against existential and catastrophic threats, a secure global economic system with both physical and virtual flow security, secure, confident and reliable allies and partners, American leadership and freedom of action, and the preservation and even the gradual extension of our own universal values.

I see at least eight challenges to those vital interests in my job today. First, we simply cannot ignore powerful states, including Russia and China, which presently lack the intent to harm us and with which we're trying to forge solid partnerships, but whose nuclear capability represents the only real catastrophic potential threat to our most vital interests. And we have to keep that in mind.

Second, and not necessarily in order, I would add, is the threat of weapons of mass destruction proliferation, to include most particularly Iran and North Korea. Sadly, right on the heels of what appeared to be some promising progress with North Korea, we now appear to have an impending ballistic missile launch in violation of at least two U.N. Security Council resolutions, possibly tonight, from that nation in what appears to be the beginning of yet another cycle of provocation.

Of course, we're disappointed in this. But, contrary to an editorial I read this morning, we were not fooled or duped that this could possibly happen.

Meanwhile, we face the enigmatic challenge of Iran and its nuclear program, to include questions of what Iran will bring to the table in this weekend's first-round resumption of the P5+1 talks and whether a tough-and-getting-tougher set of sanctions imposed by almost the entire international community will do the trick or whether Israel will lose its patience or whether it will be necessary ultimately to use force.

Fifth, transnational -- I'm sorry. Did I get -- third. I don't want to skip any of these; they're important. Third, we continue to address the challenge of regional instability, ranging from South Asia to the Middle East. Despite three high-profile negative events and an uncertain narrative emerging on the domestic scene here regarding Afghanistan and a very difficult relationship with a partner in Pakistan, we are actually making real progress on the ground in Afghanistan. Just talk to nearly anybody who has visited there recently. We're very lucky to have Ryan Crocker and John Allen in charge, who, through a combination of dogged and saintly patience, determination and sheer diplomatic skill, are making important progress on the ground while solidifying our partnership with the Afghan government. You should have an interesting discussion during today's session on Afghanistan, and I look forward to reading about it.

Meanwhile, Syria, Iran's only ally, is experiencing its own unique version of the Arab Spring convulsions, while we and other responsible countries try to find a way to help amid great uncertainty over who the real opposition is.

Fourth, transnational extremist organizations, to include al-Qaida in the Arabian Peninsula, al-Shabaab in Somalia, a growing al-Qaida movement in the Islamic Maghreb, Hezbollah in the Levant and throughout the world, and Boko Haram in Nigeria, among others, continue to pose a serious threat to our friends and partners in the world, and indeed to our own nation.

And I would tell you that a truly impressive effort on the part of our intelligence community and many, many others, to include the law enforcement community in this country, continues to protect us.

Fifth, transnational criminal organizations not only threaten the security and prosperity of our friends and neighbors in this hemisphere and elsewhere, but they impose a corrosive impact on our own nation, whose cumulative costs, if concentrated in one day, would surpass any terrorist attack we've ever experienced.

Sixth, the cyber domain has revolutionized the way we think and work but now represents a key dependency for us, and thus a key vulnerability, not only on the military side but, of course, on the civilian and business side as well.

Cyber, in my view, is the land of fading borders. Borders between near and far, between state and individual, between war and peace and the border between civil and military are rapidly fading away. And we have an imperative to find new policy tools that account for that world of fading borders, while at the same time protecting the civil liberties that we cherish so much.

And finally, competition for resources, such as energy, which you'll discuss, I believe, in two sessions today, and water, and the impact of climate change and other natural phenomena -- we just had an 8.9 earthquake in Asia today -- those all combine together to either stimulate or exacerbate the other challenges that I've mentioned today.

So clearly we have a diverse array of challenges to understand, to prioritize and to manage, yet we do as a nation recovering from the deepest economic crisis since the Great Depression and within the most fractious political atmosphere I think any of us have ever experienced.

And, in fact, this fall we will get to experience the perfect storm of a continuing resolution leading into a national election, another debt ceiling debate, the expiration of the Bush tax cuts, and uncertainty over sequestration -- the first topic I see on your agenda this morning.

It's going to take some skill to navigate through all of this, and it will only get more interesting as we get deeper into an election year and, more importantly, deeper into a new century. As most of you know, DOD has taken a deliberate approach to all of this. We transitioned from last spring's initial foray into examining what a reduction in defense spending might look like as a contribution to the national security imperative of

deficit reduction and into the subsequent reality last August -- on the day I parachuted into this job, as a matter of fact -- from the Budget Control Act that was passed by both houses of Congress. And I would emphasize that it was passed by both houses of Congress. And it ultimately imposed a \$487 billion reduction in defense spending over the next decade.

As this evolved, it leaves no doubt in your mind -- it certainly wasn't in mine -- that we recognized that we had exited the band of risk for the old QDR strategy. So we ended up writing in about three months a new strategy that we believe accounts for three factors.

First is the changing geopolitical realities in the world and how they affect U.S. vital interests and how we protect those interests; second, the changing nature of warfare, with advancements in technology and what we have learned over the last decade of conflict; and finally, a new fiscal reality for the department.

I would tell you candidly that the strategy was not driven by a single one of these three factors, it was driven by all three. But it most definitely preceded and drove every major budget recommendation in next year's budget that we submitted to the president and to the Congress. It's the first time any of us currently in the Pentagon can remember when a strategy was so closely coupled in time and in action with budget decisions.

While the work on this strategy was done in a small group, it was done in complete collaboration with the key leadership in the department, including the service chiefs and our combatant commanders. And I would tell you that, somewhat counterintuitively, not doing this in a smoke-filled room or with things like nondisclosure agreements only actually helped us maintain the security of the strategy as we wrote it and the budget as we developed it.

And rolling the strategy out a month before we rolled the budget out allowed the strategy to season a little bit, to let people get used to it, to understand it, before this town was handed the red meat of budget numbers. And that was a very, very important thing that I think Secretary Panetta asked us to do.

We made hard choices in this work regarding the use of force and regarding the shape of the force, trying to keep the year 2020 as our aim point. You can see all of this in the strategy document itself if you've had a chance to read it.

First, while we have to keep a certain focus on the Middle East, our growing emphasis on the Pacific is a major driver of all aspects of what we will be as a joint force and what we will do as a joint force.

We recently delivered a detailed brief to the national security adviser on the Pacific dimension of our strategy and what it entails, because he wanted to make sure, correctly so, that we were putting our money where our mouth was on the strategy, with

all of its implications for presence and posture and partnerships and technology and tactics and a few much-needed adjustments to our operational plans.

As you will see over time, this shift to the Pacific is real, and it aligns well with one of your midday sessions on navigating the geopolitics of the South China Sea, which I know the Defense Policy Board just recently looked at and which is sort of the little-known piece of the Pacific strategy that could pose a major challenge.

And while we work with our close regional partners to counter China's coercive diplomacy and balance its patient accumulation of advantage, while at the same time trying to develop partnerships with China, North Korea's entry into that additional cycle of provocation should dissuade anyone who thinks that our subtle shift to the Pacific is only about China.

Second, our future forces capacity is captured by a new articulation of the classic two-war construct in which we defeat one major act of aggression while maintaining the ability to deny the objectives or impose unacceptable costs on a second simultaneous aggressor.

This not only accounts for fiscal reality, it accounts for geopolitical reality as well. No longer will we live the curious paradigm of trying to figure out exactly how far we have to pry two wars apart in order to have them conveniently fit within our resources, when all the adversaries actually have their own vote.

Third, the shape of our force will inevitably be influenced by a decreased emphasis on long-term, large-scale stability operations. Simply stated, while we will not discard our ability to conduct counterinsurgency operations, we just don't see, in a post-Afghanistan world, the imminent use of this form of warfare, for several reasons.

Fourth, we freely admit that we may not have any of this right. Secretary Gates was very fond of saying that, and he was very right. And this includes our decreased emphasis on counterinsurgency, and thus our emphasis on agility and reversibility in our people and our industrial base. I call this avoiding departmental hubris.

Fifth, we will protect our Special Operations forces, but we recognize that much of what they're currently doing that we call counterterrorism is actually supporting the high end of counterinsurgency. So these forces are going to continue to do some very important true counterterrorist work that they're doing today, but we're going to see much of their capacity rolled back into traditional Special Operations roles of building partnership capacity across the world. That's something for you to consider during your module on the future of Special Operations.

Sixth, we'll incorporate what we've learned over the last decade into everything we do, including network warfare and the integration of intelligence and operations. The types of warfare that we've been fighting in the last 10 years have taught us very

important lessons about how to do all types of warfare, and we're determined to roll that into what we do in the future.

Finally, among other aspects of the strategy too numerous to mention, we're giving due attention to the cyberdomain to include increasing our capacity and capability for offensive cyberoperations; refining how we support our combatant commanders with cybercapability; answering the important question of CYBERCOM's potential future as a combatant commander; working to configure DOD networks and the best way to be effective and defensible; and finally, building on a strong foundation for DOD established by Bill Lynn and Hoss Cartwright, we also continue the challenging work within the interagency of building new policy mechanisms to address the balance among protecting our civil liberties, accounting for individual agency equities and understanding the cost of doing business in cyberspace. This is a new frontier for us, and I really look forward to your feedback from your module on fighting a cyberwar.

I'd like to make one final point, and that is to express what a privilege it is for me to be in this position at what seems to be another turbulent time in our nation's history. It's not easy to be an optimist in these times, but I try to remind myself that when I entered the military a few years ago, we had double-digit inflation and double-digit interest rates. We had near double-digit unemployment, a very unpopular military that had just ended an unpopular war, and we thought a different Asian nation was going to overtake us economically.

Moreover, today I'm blessed by working with and for a terrific secretary of Defense, chairman, service chiefs and combatant commanders. Together we lead the finest young men and women who have ever served their nation in uniform. They have the best equipment and the best young leaders any of us have ever seen, and they are truly magnificent.

I also work every day -- I'm blessed to work every day inside an interagency process that, despite its inherent competitions and constraints and flaws, is populated by terrific people and, in my view, is functioning very effectively. And I would point out that that includes an intelligence community that seems to have set aside most of its stovepipes and jealousies and is serving us surprisingly well.

I would add that we have a useful support structure out here in town and elsewhere. I'm not too proud to say that our own critical thinking is often enhanced and indeed influenced by what we hear and read on a daily basis from many of the talented minds in this room. You fortify our efforts by exchanging your ideas and providing rigorous independent research. So thanks to all of you for your continued thinking, reading, writing and speaking about our nation's security. While we can't always and don't always agree with every opinion that is expressed by the people in this room, each of you actually really do make a difference in what we do inside the Pentagon. So please keep it up. We're listening.

Finally, those of us currently in service who were in many case trained, in large measure, and set up for success by many of you in this audience and who I can see out there today in front of me. And I thank you for that. So while there's plenty on our plate to daunt us in a world of accelerating change, I'm very confident that we have a great team in this nation, in this town, in this room, helped along by organizations like CSIS and events like this, and, as I mentioned, by the bright minds that are here today. And while it won't always be pretty, we are up to the challenges we currently face.

So thank you once again for the opportunity to speak with you this morning, and I really do look forward to taking a few of your questions. Thank you. (Applause.)

MR. ALTERMAN: Admiral Winnefeld is just going to take questions. Raise your hand. We've got people with microphones. And we'll get it started.

ADM. WINNEFELD: Ma'am, right here in the front. And I'll try to make it so that the microphone's as far away from anybody that I pick as possible. (Laughter.)

Q: Thank you very much for being here, Admiral. My name is Caitlyn Antrim. I work with the Rule of Law Committee for the Ocean. And I'm interested in how you see international law and regional security agreements fitting in with the -- as a force multiplier for the military. Any comments on the Law of the Sea Convention would also be appreciated.

ADM. WINNEFELD: Sure. In fact, if you hadn't mentioned that last thing, the first thing I was going to say is we would love to have the Law of the Sea Convention ratified by the U.S. Senate. There are important provisions in there that protect our ability to operate the way we need to operate on the high seas, and it's just -- we are left not at -- a seat at the table when we're not a participant in that convention. So we support, over in DOD, ratification of that treaty, and it would make a difference for us.

And, you know, we are a nation committed to the rule of law. And there are well-understood legal conventions that govern operations on the high seas. Those -- adherence to those is in the best interest of the United States and our allies and partners. And if you need an example, the Strait of Hormuz is a classic case of a body of water that is a vital interest to the United States and our partners and that we want to see kept open and that all traffic in there and all operations in there would adhere to the rule of law. So, absolutely, it has an important place in everything that we do certainly on the water. So thank you for that question.

Sir.

Q: Thank you, Admiral. Larry Shaughnessy from CNN.

You mentioned that you might -- we might see North Korea launch its Taepodong-2 missile, possibly tonight. I was wondering if you could tell us what you see as the worst-case scenario coming out of this for the United States and our allies.

ADM. WINNEFELD: The worst-case scenario coming out of a North Korean launch tonight -- you know, obviously the worst case would be that it's not what they actually declared it to be and what we believe it to be, and that is, you know, not a space launch. But we are fairly certain from all of the statements that we're seeing and what we're observing, that this will, in fact, be a space launch from North Korea, unfortunately, in violation of U.N. Security Council Resolutions 1718 and 1884, a very clear violation, widely recognized by the international community that they ought not to be doing this. They've been discouraged by their number one sort of protégé, and that is China. China's not happy about this. Nobody's happy about it. But North Korea feels that they need to exhibit this behavior, and we're just going to have to deal with it as it comes. And we're well positioned. We've got a fairly calm approach to this whole event that could happen in the next day or so. And we'll just see what unfolds as the day goes on.

So other questions? Pretty bashful out there.

Ma'am. I think I can hear you.

Q: (Off mic.) My question is about Syria. There's a debate in this town about any military intervention in Syria, whether to impose a no-fly zone, to have safe havens. You just mentioned yourself, sir, that we don't know the opposition. It's been a year now, more than a year, for this uprising in Syria. Why don't you still -- you still don't know the opposition in Syria? And can you tell us under what circumstances there will be any action by the United States besides humanitarian assistance to help the Syrian people? Thank you.

ADM. WINNEFELD: OK. So the question was on Syria. And, first of all, I would tell you that the use of force in a place like Syria is not something that we in the military decide, so I will leave that to the appropriate arena for that type of decision. It has been a challenge for us for several reasons. One, we really don't necessarily understand who the opposition is in Syria, although I think we're beginning to get a better understanding of the opposition. There's just a lot of different fractured groups that have the common ideal of overthrowing the government in Syria that has done so much to oppress its people, and continues to do so, using violence against its own people.

But it's hard for us to get our arms around it. We're concerned, of course, that extremist groups could be part of some of these opposition groups. And that's sort of a Hobson's choice, if you will, for us. But I would take my hat off to Secretary Clinton and her team, who are working very, very hard to understand this with our partners, with nations like Turkey and Jordan in the region, who have a deep vested interest in stability in Syria. And so we'll be watching very closely and taking our guidance as a military from the political processes in this town that would guide us.

It is going to be potentially -- if we were to use force in Syria, it's a challenge. It's a large country. It's got a very, very capable, integrated air defense system. They

have some 1,500 tons of chemical and biological weapons in that nation that we have to take seriously. So it is not an insignificant military challenge, as opposed to, for example, what we saw in Libya.

So -- sir.

Q: Thank you, Admiral. Mike Constantine (sp). I recently retired from the Senate Armed Services Committee.

In a different forum about a week or so ago, General Scowcroft pointed out that he had just recently returned from China, and one of the subjects of discussion with the Chinese was the definition of pivot. And he gave what I thought was a robust explanation.

But I'd like to ask you, what should the Chinese understand pivot to mean?

ADM. WINNEFELD: Yeah. And I don't know who actually is using the term pivot. I won't deny that term. But really what this is about is a shift in emphasis to what we see in the future as the rising importance of the Pacific as a region, economically, and, associated with that economic rise, a security challenge.

And so we're often accused of this, quote, "pivot" to the Pacific being all about China. I mentioned in my remarks that it's not all about China. There are a wide variety of security concerns in that region, not just China, but, as I mentioned, Korea. You have potential tensions in other locations. We have an emerging partner, potentially, in Myanmar. There are concerns about piracy and a number of other questions.

So what should China view this as? It should be viewed not as containing China. It should be viewed as balancing China. And hopefully an emergence of a peaceful and stable relationship among all of the nations in the region and an understanding that the U.S. is a Pacific nation that has a deep and vested interest in the security and prosperity of the Western Pacific.

So I don't think China should view this as a threat. There is every opportunity out there for a partnership that respects international legal conventions. And I think that, you know, as the saying goes, we can all get along out there. But we're going to support our partners and friends.

Other questions? Sir, in the back.

Q: Thank you, Admiral. Jeremy Devaney, BB&T Capital Markets.

Earlier in your comments, you alluded to a continuing resolution at the end of this government fiscal year. And with Congress at a stalemate currently with the budget, why is the DOD not planning for sequestration and -- considering it's our largest security risk, especially according to the secretary of defense? And what plans may the DOD put in

place as we continue through the year towards the end of the current government fiscal year.

ADM. WINNEFELD: Yeah, I think the term we're using right now is we're thinking about sequestration but we're not planning for it. (Laughs.) I hope that helps you out.

Sequestration, as you know, is a very, very challenging mechanism the way it's written into the law. There are potentially different interpretations of how it would be implemented, but the most common one is that every single program would be cut by a certain percentage and that we would have to live with that technique, as it were.

And if that's the case, then there's not an awful lot of planning that needs to be done because we already understand what would be cut. The challenge is our people more than anything else. And I would include the defense industrial base as part of that people problem, because companies have to plan for what the future's going to be like probably, in many cases, further out than even we have to plan.

So we have a -- we're sympathetic to the challenges that industry is going to face in a sequestration environment. We are hopeful that the Congress will find a responsible solution to this. And we're very watchful for that. And I believe that this summer sometime we will begin to look in earnest at what we will have to do if sequestration actually comes to fruition.

There are a couple of other ways -- there are a couple of ways the Congress can maneuver itself out of this chainsaw approach, as it were, to the Defense budget. And we look forward very much to how they approach that problem. But we're going to wait until this summer probably to start doing robust planning.

Sir at the table.

Q: Admiral, good morning. My name is Gregory Morason (sp), correspondent for Television News Network from Mexico.

Perhaps too many people here, many bright minds, as you mentioned, are more focused in many threats to the national security overseas and maybe will not agree too much on including the organized crime as one of the largest threats. Can you elaborate a little bit more on that?

ADM. WINNEFELD: Sure.

Q: And what do you think is the best way to confront it in partnership with Mexico and similar countries?

ADM. WINNEFELD: Great. And it's great to see somebody from Mexico. I had a fantastic and rewarding relationship, frankly, when I was the commander of U.S.

Northern Command with my friends in Mexico, to include the commanders of SEDENA and SEMAR, who are close personal friends of mine.

Clearly the issue of transnational criminal organizations is something that has a great corrosive effect, not only on our country but also on our friends and partners in the region. And we sometimes lose sight of that. It's also important that we speak about this in a respectful and correct way.

And I hate -- correct, I don't mean politically correct necessarily here, but we, for example, try to stay away from using the term drug trafficking organizations when we talk about the cartels that are doing this trade, because if you're a Mexican -- and I think you would agree with me, sir -- it's not so much the drugs that these organizations are passing through Mexico. That's only 60 percent of their profit. About 40 percent of their profit comes from things that really matter probably more to Mexicans, and that is kidnapping, extortion and other forms of violent crime. So we are very careful in how we talk about this challenge and how we approach it. And the best approach that we can do, in my view, is to form very close partnerships with our friends in the region. And in my capacity at NORTHCOM, we tried to do that with our partners in Mexico, assisting them while all along acknowledging their sovereignty and being very, very careful not to violate their very precious sovereignty, and just doing the best we can to enable our partners to do the job their way in Mexico, my experience, but also elsewhere in the hemisphere. It's a tough problem.

There are thousands and thousands -- you know, I've heard varying numbers -- up to 30,000 Americans perish each year because of illegal drug usage. And then when you stack on top of that the health care costs, the incarceration costs, the other costs of violence in this country, it adds up to quite a large economic impact. And it just sort of happens, glides along under the radar, and is not viewed as quite the security challenge as some of the sexier issues that you see happening overseas.

So very important question; very important point that we need to focus more attention on, in my view.

Sir.

Q: Thank you, Admiral. Otto Kreisher, freelance writer with Sea Power Magazine and a few others.

You mentioned again the political chaos currently confronting us in Congress, like -- (inaudible) -- of a CR, et cetera. Not only are you facing the problem of sequester, but the general budget process. You know, the budget calls for the beginning of a downsizing of the land forces and a lot of other significant changes. If we're dealing with a CR, it all goes back to the existing budget and you can't make any of the changes that are in the FY '13 budget.

How are you all planning to deal with those issues if we're strung out through December with no forward-looking budget?

ADM. WINNEFELD: Well, I think the easiest answer to that is that we are no stranger to continuing resolutions. This happens nearly every year. And it is very impactful. It makes it very difficult to start new programs. You can't really do that. It introduces chaos into programs that we have, which ultimately cost us money. So we're hopeful -- you know, we're realistic about the fact that we're going to have a continuing resolution. I think that's very likely unless a miracle happens. But we're hopeful that shortly after the election or whenever the appropriate time is, that we'll actually get a budget for next year. We would definitely certainly want to have an authorization bill and an appropriations bill that would allow us to do business in the department the way we need to move into the future.

So -- but we're just going to have to plan for a continuing resolution for at least the first couple of months of next fiscal year. But we're no stranger to that.

Other questions? Sir. This must be a right-brain crowd because most of the questions are coming from the right side; or, maybe from your perspective, left brain.

Q: Steven Reiff. I work for Raytheon.

Could you describe to what extent you and your peers are lobbying Congress and other parts of the administration in regards to sequestration to maybe give you more flexibility in how the cuts or turn it off altogether?

ADM. WINNEFELD: First of all, I would very carefully point out that, as a serving military officer, the term lobbying is not in my vocabulary. (Laughter.) And, you know, frankly, we're leaving this -- you know, Secretary Panetta really has the lead on this and the OSD staff. We have engagements with Congress in which we can encourage them, you know, to do what needs to be done. But really my role and our role on the joint staff is to just inform Congress, to answer their questions, to make sure that they have the information that they need in order to make the very difficult decisions, the appropriations and the authorization decisions that they have to make. And we stay -- we don't even think in terms of lobbying at all.

So I know you didn't probably mean to use that word, but really we're doing the best we can to keep the Congress informed so they can make the decisions they have to make.

OK, how about a left-brain question? OK, sir.

Q: (Off mic.)

ADM. WINNEFELD: OK.

Q: (Off mic) -- JROC to enhance acquisition.

ADM. WINNEFELD: Great. Good question. As the chairman of the JROC, I can tell you, every vice chairman comes into this job saying, boy, I'm going to fix the JROC. It's going to work great. And my predecessor, Hoss Cartwright, did a terrific job, particularly towards the end of his tenure, in sort of pushing the JROC in a very good, solid direction.

Let me tell you some of the things that we're trying to do, at least since I've been there. First, we're trying to take a portfolio approach to the challenges. Very often in the past, an individual issue would come to the JROC, and every program looks really good on its own merits with a beautiful PowerPoint brief, and we've got to do this and all that. But when you start to open up and throw that particular system or idea or requirement in a portfolio, then it really allows you to make more informed decisions that may actually make us more efficient. So that's one of the things.

And we have a charter from the Congress to make sure that we not only include the requirement for a system, but the technical maturity that goes along with that system and the cost of that system. We are now required, encouraged and expected to factor that into our decision-making. So looking at a portfolio approach really contributes to that.

We've also dramatically shrunk the size of the forum. When I first experienced the JROC a year or so ago, and as a COCOM participating in it, there were about 100-and-some people in the room; some contractors in the room. And we just -- I just found it strange that we would be able to make meaningful decisions in an environment that big. So we've really brought down the size of the JROC. We have the statutory members, the vice chiefs of the services, but -- and we also have some of the statutory advisers, the head of AT&L, CAPE, you know, that sort of thing. And it's actually a fairly effective group in a small audience.

We're also trying to make the process more efficient by shrinking the size of the documents that we use for initial capabilities document. I hate to get technical here, but some of you all understand what that means. We were getting documents that were hundreds of pages long, when they were really expected to be 10 pages. And so we're pretty much towing the line on expecting people to come in with 10-page requirements documents.

And there are a number of other things we're trying to do to streamline the process. We are also inserting ourselves further on into the acquisition process to make sure that the requirements, A, have not crept beyond what they should be, thereby increasing costs and adding bells and whistles, but also looking for ways where we can fine-tune and adjust the requirements to help with efficiency and just to bring reality back into play.

And I'll give you an example. With the Joint Strike Fighter, we recently changed three of the requirements for that program, and we actually scaled them down. And

people immediately will jump to the conclusion that we scaled that down just to make it affordable or, you know, make it easier on contractors and the like. But that's not what we did at all.

If you look, for example, at the -- one of the key parameters that we have for the airplane is its transonic acceleration capability. Well, when they built the requirement for this airplane, they used a clean F-16 for its transonic acceleration capability. Does anybody fly a clean F-16 anywhere in the world? Of course not. But the F-35 is kind of a big, fat airplane that carries all its stuff inside. It couldn't make the same transonic acceleration that a clean F-16 would. So it made no sense.

But when the people wrote that requirement, they really didn't know what the airplane was going to evolve into. So we've adjusted that and it's going to be fine. There are a number of other things that we've done just to bring reality into programs. What I don't want to see happen is have us spend millions and millions and millions of dollars to get that much more closer to a key performance parameter. And so we're trying to inject some reality into that without hurting the warfighter.

So lots of work going on in the JROC, lots of energy there. We're trying to make it more of a meaningful and useful process. We have a ways to go. But we're definitely determined to make this a functioning body that will help get what the warfighter needs at a great cost for the taxpayer.

MR. ALTERMAN: One more question and then we will wrap up.

ADM. WINNEFELD: All right. Ma'am.

Q: Good morning. My name Victoria Sijabat (sp). I am journalist from Indonesia; my media name, Tempo (sp).

I am glad that you talk about China is not a threat for United States. We will have session about South China Sea next. And I remember Mr. President Obama, when he came to my country last year, he mentioned that the United States will put more military presence in Southeast Asia so to -- I don't know what is the result right now; correct me if I'm wrong -- and station more military from United States in Australia.

My question to you, do you see -- is any threat for peace around Southeast Asia country as your military perspective right now? Would you please explain. Is this -- (inaudible) -- on security around Southeast Asia right now, except about South China Sea? Thank you, sir.

ADM. WINNEFELD: OK. I think I understood most of the question. And I would say that -- and the way I answered the other question about the pivot to the Pacific, and that is, we recognize Asia, particularly East Asia and Southeast Asia, as a region that is rising in importance on the globe economically, and therefore in terms of security. And we have a lot of really good friends and partners, longstanding friends and partners,

and new friends and partners in the Asian region, and in particular in Southeast Asia. We have a growing partnership with your country, Indonesia -- a wonderful people, a fantastic example of an Islamic nation that has found its way to freedom and democracy.

We have a rising partnership with Myanmar, which we're very anxious to mature into something very meaningful. And we have an emerging partnership with Vietnam. We have long-lasting partnership with Singapore, and of course with our friends in Australia and Japan and Korea.

So these are friends. These are people who we want to partner with, to support in a peaceful, stable region of the world that's rising dramatically in importance economically. And with the U.S. as a Pacific nation, we feel that it's in our vital interest to be there with our partners and friends.

So I hope that answers your question. But in terms of a rising threat, we're very cautious about that.

MR. ALTERMAN: This -- I think Admiral Winnefeld has demonstrated why we're a lucky nation to have a man of this quality and character in office at this time. Please thank him with your warm applause.

Thank you, sir; appreciate it.

OK, we're going to break for 30 minutes because we've got to break up this room. Everybody go out and get some coffee, get a little bit of breakfast, and then we'll join -- join us back in one of the sessions at 9:30. Thank you.