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THE U.S. NAVY BEYOND IRAQ - SEA POWER FOR A NEW ERA

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MODERATOR:

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KEYNOTE SPEAKER:

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P R O C E E D I N G S

MR. PASCUAL: Good afternoon. My name is Carlos Pascual. I'm the vice president and director of the Foreign Policies Studies Program here at the Brookings Institution. It's a great pleasure to welcome you to the event that we're having today on Sea Power for a New Era with ADM Michael Mullen.

This event is being jointly sponsored by the Foreign Policy Studies Program and the 21st Century Defense Initiative here at Brookings. The director of that initiative, Peter Singer, is up here in front and has been part of Brookings' efforts to think about not only the security challenges that we face today but how those security challenges will evolve over time and how the United States needs to position itself for those, and position itself, as well, with its allies and different capabilities, both military and civilian.

In that context, we have the opportunity to have address us today Admiral Michael Mullen. ADM Mullen is the 28th Chief of Naval Operations. He has been with the U.S. Navy since the time he graduated from the U.S. Naval Academy. He served the country in the Navy for 40 years. In addition to his time at the Naval Academy, he has graduate degrees from the Naval Postgraduate School and from Harvard Business School. He has had a number of command responsibilities in both the Atlantic and Pacific Fleets, including in his last command where he was Commander of the Joint Forces Command in Naples, Italy, and Commander -- concurrently with that, with the U.S. Naval Forces in Europe where he had operational control of NATO missions in the Balkans, Iraq, and in the Mediterranean.

One of the things that ADM Mullen has really stood for is to really assess the challenges that are presented to us in a security field and the changes that they actually require us to develop in both capabilities and strategy, and in that he has been challenging the Navy itself to come up with more effective strategies and approaches, thinking ahead to the future, and in that sense he has been a forward-looking leader who is willing to ask the tough questions about where we need to go in our defense capabilities, particularly taking into account the kinds of irregular threats that we face today and the complications that they actually then present for us.

In that spirit, one of the things that I would then like to do is just hand over to the admiral and ask him to give us his views of what the Navy needs to do to be able to deal with the kinds of major challenges that we face today and assess what the implications of those challenges are but, actually, to also look ahead as well and help us think through what we need to do to adapt ourselves to be able to maintain the kind of excellence and capabilities on both the preventive and responsive side that we've developed thus far.

So, in that spirit, ADM Mullen, I'll turn it over to you.

(Applause)

ADM MULLEN: Well, thank you. It is a real pleasure to be with you this afternoon, and I hope over the next few minutes I can illuminate some of the things that Carlos indicated.

We live in an ordinarily challenging time. I'd like to talk about this briefly in two areas. One is the Navy today and what we're doing, and when I

travel, particularly as I go around the world and visit sailors who are serving, I try to focus on a couple of things with them. One is gratitude for their service and that they really are making a difference, and they're an exceptional group of young men and women who have raised their hand to serve their country at a particularly challenging time. I won't comment on the number of years I've been in -- Carlos have covered that -- but certainly in the time I've been around, they are the most professional, best led force that I've had the pleasure of being with, and I'm grateful for all they do.

Secondly -- that we live in a tremendous time of change, and I think that's a statement of the obvious, but what has gripped me in the last year and a half or so is the pace of that change and then how do we keep pace with that change in a very uncertain world in very uncertain times? And it's a spectrum of change that covers everything from tactical operations to strategic thought and strategic direction. It covers career paths; how we develop people for the future; how do we recruit them; how do we retain them; what skills do we need; what is our work force; what do the sailors who make up the Navy of the future look like?

I'm oftentimes -- and I talk about inside the Navy, in particular the imperative that I believe we have as an institution to be a more diverse Navy than we are right now, and just look at the demographics that we have today in its -- and the growing population from many, many ethnic backgrounds that in 20, 30 years will in fact be the majority in this country and that the Navy needs to have a leadership cadre which is representative of that, and that diversity is really important, because I believe the if we don't have that we move away from our

population as a country and don't represent the country that we stand for in ways that we truly need to do.

Secondly, and it's about missions of the future, those demographics and that diversity is incredibly important in terms of where we will go, what we will do, cultures we will engage with in the security environment in the future. So, that's -- that, again -- this is an area, I think, of great -- of both priority and great change as well.

And then the third piece I talk to young people about is just the need to lead, and the expectation at almost every level that we lead -- whether it's United States as a country, the Navy as one of the navies in the world, and/or individuals who lead in the Navy.

So, those are -- that's how I tried to frame the discussion of both where we are now and where we must go in the future.

Where we are now is a Navy in really terrific shape. Many of you may remember President Reagan's goal of 600 ships. Well -- and many people thought we got there. We didn't quite get there. We fell a few ships short. But today we're half that size. We're 276 ships today, and we are a maritime nation underpinned by commerce, incredibly dependent on secure sea lines of communication, a secure maritime environment, and a Navy that is supportive of that.

We operate today around the world. I've got over 60,000, almost 65,000 sailors deployed around the world today. Over 30,000 of those are deployed to the central command AOR, so over half are likewise deployed in

other parts of the world whether it be in South America, in the Western Pacific, in the Indian Ocean, in the Mediterranean, off the Coast of Africa, and in some places that we hadn't imagined we would be, and I think that speaks to preparing for the future as well and doing so in what I call a balanced fashion, because I don't think in this unpredictable world we can figure out exactly where we're going to be or exactly what's going to happen.

Out of those 30,000 sailors that are in Central Command -- and we have two carrier strike groups there as we speak, but I've got -- almost half of those are ashore in the Central Command: over 5,000 sailors on the ground in Iraq; 1500 or so on the ground in Afghanistan; several hundred in Djibouti; and a couple thousand who are home ported in Bahrain. All of that speaks to, I think, the message that that continues to be a vital part of the world for us, a vital strategic interest, and the Navy's had a relationship in that part of that world -- we've been deployed there since the late '40s, and so we will continue, I think, long after the challenges that we have right -- the immediate challenges of Iraq and Afghanistan. We will continue to be deployed there.

In addition to the operations which we are performing in support of the ground forces -- and we've had some pretty significant impacts there -- we clearly still operate at sea, and the vital resources that are in that part of the world, the security that we need, the stability that we need are very important and well supported, not just by the naval forces that are there but are there with the Marine Corps, and there are some members of the Coast Guard here as well, and we've got strong relationships with both those services in addition to sort of extending to

this joint world that we're in, much more joint than we were a few years ago, and I think we will continue to advance the jointness that's out there, the ability to work and, really, the requirement to work with all the other services.

So, the Navy's very busy right now. They're the best people I've ever seen. Our retention numbers are good. Our recruiting numbers are good. And, yet, I recognize that the recruiting challenge will continue to go up. I'm concerned, as a service chief, as I see the propensity to serve in the country as we are out and about. The propensity to serve is not what it was a few years ago, and I think to some degree that's obviously because of the war that we're in right now. So, the challenge is fairly significant with respect to that. And we're going to need to make sure we get that right for the future as well.

We also find ourselves right now at a time where we're retiring a lot of the old equipment that we bought in the '80s and replacing ships and airplanes and submarines with the latest capabilities that are being developed, and the Navy is nothing if it doesn't have ships and submarines and airplanes. That's the core of who we are, and so we're evolving right now and bringing many new programs online in terms of the Navy that we need for the future -- I'm excited about that -- at a time where that kind of change is difficult and that kind of investment is particularly challenging as well.

I have -- so, right now -- and we operate at a very high level. We execute at a very high level, and I'm confident whether it's ground operations in Iraq, ground operations in Afghanistan, the kind of operations that we are performing on the Horn of Africa, ashore there, which I believe is truly a footprint

for engagement in a part of the world that if we don't do that well, if we extract ourselves from that, it's fertile ground for the continued development of the kind of terrorist activity that we're seeing in many places in the world. That kind of engagement is really vital as well. So, we're engaged in many theaters around the world, not only the Central Command, although it certainly has our focus.

So, what about the future? The future, I think -- and Carlos talked about a new era -- I really believe we are in a new era, that we have gone through that membrane, if you will, of what used to be, and we are now looking at severe, significant challenges in the future and leading them clearly is the issue of the extreme radical Islamists, and I think that's going to be around for some time. And we've talked about this being a long war. I think it's going to be -- it is a generational war, and it isn't going to end soon, and we need to stay focused on that and press forward on that.

I've tried to couch the future discussion, and I've looked at it over many months now, is what are we going to do after Iraq? What are we going to do after Afghanistan? And I truly believe we will bring those forces home. I'm not standing here today to predict exactly when that will occur. I think we need to do that very carefully when it does occur. I believe that we cannot have the Middle East and Southwest Asia turn into a cauldron of expanding violence, and somehow we've got to make sure that as we come home that we don't leave it, because I think if we do that it won't be that long before we'll go back.

So, clearly, that's a focus area, but it's not just about that part of the world right now. We've got multiple challenges in many, many domains and

many, many theaters.

Now, I call the seas the -- one of the terms that we use is "global commons." They're a part of the connective tissues of nations, and we are a maritime nation. I talked -- about 18 months ago I made a speech up in Newport at an international sea power symposium and talked about this idea of a thousand-ship navy; and we had 72 countries represented there, 49 chiefs of navies and coast guards from around the world, and this idea -- this concept of a fleet in being that focuses on global partnerships, recognizing common challenges -- has taken on a tremendous amount of both energy and interest and activity throughout the world, more so than I realized that it would, whether it's in the Mediterranean, whether it's Indonesia and Malaysia and that part of the world, or whether it's in Africa.

There have been several symposiums since this was brought up, several maritime symposiums in Africa, which heretofore had not occurred, and as was mentioned in the introduction, I spent about seven months in Italy, and part of my focus wasn't only the Balkans and Iraq, but it was to look south in Africa, and there's a great potential there for lots of things to happen, both good and bad. It's an area that is struggling in some ways in terms of stable governments. It's an area that has famine, it has resources; and it's an area with a large maritime coast that hasn't had the focus in the past. So, we've been heavily engaged there, for example.

So, this whole idea of a thousand-ship navy-- how do we work together -- which honors territorial waters, creates global time partnerships, gets

at what I believe is we can't do this alone -- the United States can't do this alone in the future -- and we need partners to do this. It leverages what we do as men and women that go to sea. We understand that domain. It's not bound by an organization or a charter or a treaty. The membership is essentially voluntary, and we have found a tremendous amount of desire to figure out how to make this work in the future. And it gets at essentially creating a secure maritime environment.

There are many challenges out there. Some of them that get focused on can be weapons or weapons of mass destruction, and a lot of that travels by the sea. Ninety percent of what moves around the world moves by the sea, and when it's quiet, when it's going well, not many people pay attention, but when you disrupt it, it has a huge impact and it's not local, it's not many times even regional these days. It has a global impact. And there's about a one- to two-trillion-dollar illegal economy that's running out there, and there are many countries that can't get at the issues of immigration or fisheries violations or slavery or drug movement in addition to the other maladies that are occurring across the seas. And so there's great interest in how to work together to try to do this.

To give you an example of this thousand-ship navy, I oftentimes call it a free-form force. We had not planned to evacuate citizens out of Lebanon last year, and yet when the requirement was there, navies -- many of them, 17 of them or so -- showed up, got organized, and successfully evacuated those citizens. We clearly had no plan for the Tsunami response, the tragedy which occurred in

Bonda Aceh, Indonesia and that part of the world when, again, we had -- we organized an infrastructure at sea from many nations, essentially contributed the kind of assistance that we did, and then when we were done we were able to disaggregate.

A very important part of that, though, was we went back to Bonda Aceh last year. We went back with the hospital ship by the name of MERCY, and we went back because it's a very important part of the world to us to engage and to continue to have an impact, and saw over 61,000 patients in Bangladesh, in Indonesia, and in the Philippines. So, our mission set is expanding in ways that we hadn't imagined just a few years ago.

We're going to do the same thing this year by sending the hospital ship COMFORT, which is based out of Baltimore, down to South America for a period of time, and we think these missions speak to a broader mission set, an engagement requirement in a relationship-building aspect that we need to pay a lot of attention to in the future with the uncertainty that's out there.

So, we find in these kinds of operations that we did last summer on MERCY -- we had 11 NGOs that we were engaged with, and I had enough experience in the Balkans to know that engaging NGOs once you're on the battlefield is not the best place to start the relationship. Having a relationship ahead of time is really key, and there's great interest in that, and more NGOs will join us for this deployment later on this year by COMFORT. But it doesn't just have to be hospital ships. It can be our grey hulls, and we'll send one to west coast of Africa in the same kind of humanitarian mission later on this year and

one out to the Western Pacific. And that is not to say that we aren't focused on our high-end Navy, our carrier strike groups, and the capability that has served us as a nation so well for so long, because we are. In fact, I would argue that the mission set in the future is expanding; it's not contracting.

We've set up a brand new command in the Navy called the Expeditionary Combat Command, essentially 30 to 40,000 sailors that are involved in missions that we see being executed and some the creation of a new command. We just last month deployed our first Riverine Squadron since Vietnam, and we think that in the near term it will provide security in Iraq on the rivers that are there. In the long term, we think it's an important engagement capability that can get into shallower waters, so in fact we're not the blue water Navy we used to be; we need to cover the full spectrum of waters that are out there, and it gets back to relationship building and the security domain and the challenges that many countries have. And, again, this isn't about the United States. This is about capabilities we have, relationships that we are building, and the desire to help when invited, when asked in, and at this point we see an awful lot of support with respect to that kind of engagement and relationship.

When I think about things after Iraq and Afghanistan, I'm reminded that we still have challenges out there associated with some of our classic capabilities. We need to make sure we have our undersea warfare, our antisubmarine warfare capability, our mine warfare capability, our striking capability. We need to invest ourselves heavily. I talked about the connective tissue of the global commons that the seas are. Other connective tissues clearly

are the air space people fly in and the cyber space in which we all now operate and to make sure we have that right as well and we're focused on that.

The Navy has a mobile missile defense capability. It's a great strength of the Navy, because we are mobile. We don't have to ask permission to go in certain places of the world, and so if the President needs us he can move us around in certain environments. So, having that missile defense capability, which is evolving over time, is also a very important one to stay focused on and to continue to evolve and invest in.

Just if I were to look at what's happened in the last year -- the emergence of the Chinese, the emergence of the Chinese navy in particular, is a very important development, and we have had Navy ships stationed in the Western Pacific with our good friends, the Japanese, for many years, and we will continue to do that.

Stability in that part of the world is also very important, and the Chinese have a significant investment in their navy in the future, and the peaceful rise of China will benefit us all. We're very much linked to them economically. I think everybody understands that, and we are working to understand both the strategic intent with respect to that investment in their navy and to develop relationships which will sustain clarity and not put us in a position to miscalculate or misunderstand each other -- and continuing, it won't be in the too distant future that I travel to both India and Pakistan, again two other countries that are very important in the future of the world and engage with the leaders of their navies, as an example.

What occurred in North Korea last year, clearly what's going on in Iran, literally as we speak today, with the seizing of the 15 British hostages last week is of great concern and bespeaks the question of where Iran is headed and what is our relationship going to be and what is our posture with respect to where they are and where they're headed. The continuing challenge that I mentioned earlier about the war that I think we're going to be in for 10, 20, 30 years and the evolutions -- even the development of what's going on south of us. It's my own experience we don't do North and South America really well. We don't look south very well, and yet clearly with what's going on in Venezuela right now and the alignment of some of the other countries down there in terms of what the potential is, and it's very much resource based, because there is a significant amount of oil resources that are available there as well. And then there's the reemerging Russia underpinned, again, by resources and a question of where are they going and with many of these -- Russia in particular -- I would like to have a strategic relationship with them and an understanding and a partnership with them rather than have it go the other way and turn into a position where we again are enemies of each other. And I need that relationship to impact on other parts of the world as well.

So, the strategic landscape, as I see it, is incredibly challenging in the future. And then it comes to when the troops come home I think it's very important that the Navy and the Marine Corps, as a national security instrument of this country, be out and about.

I've talked with Jim Conway, who's the Commandant of the

Marine Corps, at great length about this, and the way I phrase it is, "Welcome back aboard, let's get underway and go to sea." The Navy and Marine Corps has, for our entire existence, been out on the edges of where we need to go throughout the world, had relationships. It's a great strength for the country, great capability, and it gets back to these expanding missions in what I consider to be this very, very dangerous world. More and more people are moving to the shore throughout the world. Some statistics -- on the order of about 80 percent of the people in the world live within a couple hundred miles of the sea or of a major body of water.

It's getting to be a smaller world, more and more interdependent, and so the continuous engagement in that, the strength that a secure maritime domain brings to everybody and the ability for -- one of the ways I like to describe it is for parents to raise their children to a higher standard of living, give them a better future than the one they had. And I've seen that -- saw it in places all over the world. Whether it's Iraq or Afghanistan or the Balkans or Indonesia or Malaysia or other places in the Western Pacific, it is a common underpinning desire of parents throughout the world, and so providing a secure environment with many other nations, with partners, is a big part of our future.

We clearly have some significant challenges in building the Fleet for the future, trying to get -- basically I have got a plan to build a Navy of about 313 ships. I indicated we're 276 today. That's too small. We've invested an awful lot in defense in these recent years and so how do we get that right, and I think we need to be very cautious about where the resources go in the future in terms of investing in the security, given the dangerous world that we live in, and

I've been in the budget world in Washington long enough to know that these things go in cycles and that we have to understand and take those risks very, very carefully.

So, there are many challenges for us. It's a very joint world in the future. It's clearly we're at a time where the ground forces are pressed hard and the Navy and the Air Force right now represent what I consider to be the strategic reserve for the country. If we've got a problem in some other part of the world, it's really dependent on the Navy and the Air Force to get there, based on what the problem is, to get there and be able to respond. But rather than just responding, the Navy and the Marine Corps, the expeditionary forces of this country, provide a deterrence and a preventative capability that is really vital, not just now but in the future, and, again, being unpredictable in terms of what the future looks like, having a balanced portfolio, a balanced capability, not just across one service but across all our services, is really vital.

So, I appreciate you being here. I appreciate your engagement on this. There are no precisely clear answers on what we should do. We need to understand the risks that are out there. The world that I both live in and travel in is a very, very tough, dangerous world, and we need to, from a security standpoint, be very careful about how we handle this national security asset called the United States Navy.

Thank you.

(Applause)

MR. PASCUAL: Admiral, thank you very much, and appreciate

the way that you've laid out the challenges, the practical challenges of today and how we need to keep thinking about these for the future.

I'd like to go back to one of these challenges of today and for the future that you've mentioned -- we talked a little bit beforehand -- and that's terrorism and how one deals with it effectively, and the Navy is obviously a critical asset in the overall U.S. force asset. There are obviously limitations on the role that the Navy can play in a battle against terrorism. You mentioned that there are some things that can be done kinetically; there are other things that simply aren't options for -- but I wonder if you can take that theme and talk a little bit about it. What is the military element of a strategy in the containment of terrorism and where does the Navy fit in within that?

ADM MULLEN: I think one of the things that is most important as we look to the future -- actually in getting in this threat now, and as we evolve to the future -- is our agility, our flexibility, and it's a term that I use called the speed of war. In an asymmetric world, the kind of threats that we see right now, and what I've seen, actually, in theater in Iraq and Afghanistan, the enemy is incredibly adaptive, and we -- and I've watched our soft forces in particular improve over time on this ability to match the speed of war, and in fact I think at some point in time we've got to figure out how to get ahead of the enemy in that speed of war. But it's a very, very adaptable enemy, and that characteristic is particularly challenging for all of us.

I think for the Navy -- and I've actually -- and I believe this about the Marine Corps as well -- I'll just speak for the Navy -- but we need to be more

soft-like in the future. That means the footprint smaller, much more precise, and more lethal; get in, get out to get at the kind of enemy that we're particularly talking about here.

But when you back that up, I think long term it is the prevention and deterrence and the secure environment that allows us to grow out of a generation of raising terrorists as opposed to the living conditions or the conditions that breed young terrorists continuing to be raised. And it's that security environment that I see being sought by so many countries right now that is -- well, it's not exclusive but would be greatly supported by a maritime domain, which is secure, and I don't think that in the long term, from the Navy's perspective, the solutions are kinetic.

But there's a great deal we can do, for instance, with our submarines, because they have stealth capabilities. There's a great deal we can do in our networks to both prevent and also provide. There's a tremendous amount we all have to contribute on the intelligence side, and all services do this kind of thing.

And then, most important, it's what I think we do as a service -- is we are out in the world. We're constantly engaged and in the long run that is preventive. I think part of the long run, though, is that until we make these kinds of shifts that would stop terrorists from breeding, they're going to breed for a while. Once those shifts take place, it's going to take some time for them to burn themselves out. And that's when we have a possibility of really getting ahead of this thing.

MR. PASCUAL: Yeah. Your point on dealing with an adaptive enemy and getting ahead of them in those environments, it raises another part of jointness, which is that jointness that goes beyond the military and into the civilian world as well, and that was one area that you didn't get into very much, but I know from you personally, from ADM Giambastiani, that this has been something that has been, you know, really high on the agenda in thinking through about future military capabilities and indeed if we look at the total number of foreign service officers in the world, there are about 6500.

ADM MULLEN: Right.

MR. PASCUAL: So, if in fact one believes the theory that we shouldn't be thinking about a global war on terror but in fact actually breaking that down into individual units and understanding it and being able to understand what the problems are and developing responses that are relevant to that, there's a huge gap there as well, and I wonder, can you talk a little bit about the critical need for civilian/military engagement on issues like this, and where do you feel the gaps are? What are some of the things that you feel just haven't been adequately staffed and funded?

ADM MULLEN: Well, in the simplest terms, even just to use Iraq, and many of us in senior leadership positions call it a three-legged stool, which is -- and this was the case in the Balkans as well -- the military is a required part of this. It is a necessary part of this, but it is not sufficient. There must be an ability to properly govern in a certain area, and you must have the economic underpinning in order to, I think, succeed in the long run here, and to that degree I

think there is -- and I'll be very specific about the State Department -- I think we -- my own view is that we don't fund the State Department to a high enough level to have the people and bring the capability that is potentially there that's outside the military area of responsibility, and I think we need to -- I'm not here to argue for more of that, it's just what I've seen. What has been very instructive to me is sometimes a very small amount of money -- you know, a few million dollars compared to the large sums that we would spend somewhere else -- has great leverage in a country for a relationship that would allow them to develop capability, to become a partner and help us. For example -- the FMS is one example. IMET is another example. These are investments in training and in equipment that other countries are -- that they desire from us and expanding that would create, I think, great leverage.

But it also goes far beyond that in terms of the potential. I think there's great potential on the economic side. We are an economic power house. How do we translate the great benefits that we have by that into places that, quite frankly, wouldn't take a lot of money, wouldn't take a lot of technology to make a difference so people that are without incomes, without careers, have an opportunity to do that, and I think there's great potential there, and how do you bring that across our interagency, all the agencies of government, all the agents of government, in order to make that happen, and I think we can do that better.

MR. PASCUAL: It's an ironic thing where the military is consistently trained to ask the question how do you bring together all elements of U.S. power to achieve an end.

ADM MULLEN: Right.

MR. PASCUAL: But in fact it's actually power with a kinetic element to it, and where we actually get into the elements, all elements of U.S. capability, we really haven't been able to put forward the resources that are comparable.

If I can just raise one final point on Iran, and then we'll turn to the audience for questions.

You mentioned in your presentation that you have two carrier strike groups in CENTCOM and clearly a very critical time in American policy with Iran. Nick Burns was here about a month and a half ago, gave a talk specifically focused on Iran, underscored the willingness to enter into some form of negotiation and willingness to allow Iran to suspend its nuclear program simply for those negotiations, not even make a long-term commitment on suspension. But there is the nuclear issue. There's a recent issue with the taking of the British hostages there, the points that have been made about Iranian involvement in Iraq, and obviously we seem to be using the Navy as a way to send a message, and I wonder if you -- do you want to elaborate on that? What is the headline that we want read by Iran at this point in time?

ADM MULLEN: Well, the main message is to reassure our friends, and consistent with that it's one from a position of great strength. The hope we all have is that both in the near term to talk specifically about the British hostages, that that gets solved diplomatically, and in the long run that we're able to solve the issue of developing nuclear weapons diplomatically as well. And, so,

to hear Secretary Burns talk about the engagement with them -- the dialog with them I think is very, very important.

That said, it's -- if you just -- if I go back to last July and look at the Iranian support of what's going on -- what happened in Lebanon and the Hezbollah support, the Hamas support, and if you look at the connection between Tehran and Beirut as an example, and then just things since that time it's known to all of us in the military that they're clearly providing technology which is killing Americans on the ground in Iraq. I think the open question is how high in government it is known or is supported. The British are just another example. We watched the evolution of their navy over the last 15 years. It's not the navy it was, and it's a much more capable navy, and I'm not going to make them ten feet all, but it's a much more capable navy than it was back then. So -- and it's been very difficult from their rhetoric and from their actions to figure out that there's a way ahead here that is one that we agree on. We're anxious to have that area be stable, to support our friends that are there. As I indicated, we've been there since the late '40s. Those are in our national security interests, and so it is a message of both stability and strength and persistence. We're not going away.

MR. PASCUAL: All right, very helpful.

Open to the audience. Over here on the side. Yes. Next time. Go ahead.

MR. TURNOWSKY: Oh, thank you very much. My name is Steve Turnowsky. I'm an Army reserve officer. I just want to say, Admiral, I look upon you with Army green envy for what I see, at least, just reading the

Military Times newspaper -- your steadfast leadership of your service through this difficult time of change. My own service probably would come into (inaudible) desert combat boots and camouflage, and I'm not sure if that's the right way to engage the American people like you're talking about, so "hooah."

My question kind of deals with what you touched on in one of your earlier first points about having a diverse officer corps, having a diverse cadre of military leaders, hoping the Navy -- or all the services for that matter -- get through the 21st century. So, I just wanted to touch on a couple of things and ask for your thoughts on them.

The first is the Navy ROTC. Currently the Navy ROTC has no presence whatsoever in the states of New Jersey, Rhode Island, Connecticut, or New Hampshire, states which all have ivy league universities and proud naval traditions. And in New York City, what you have is the SUNY Maritime, which is a closed program, so those students from Long Island or, you know, Manhattan or Brooklyn can participate.

At the same time, we've seen a virtual closure of civilian OCS opportunities because of the foreshaping and the drawdown but no change in the authorizations coming from the Naval Academy or Annapolis, and what we're about to see right now is, with the entering ensign cohort in the next couple of years, the highest percentage of Annapolis graduates among the cohorts that we've seen since 1940, and the question is in the 21st century is this maybe the way to be going or how can we maybe address getting more a cultural competency and heritage language skills? Thank you.

ADM MULLEN: I've attacked that issue directly in terms of, in particular, the admission requirements both at the Naval Academy but very specifically when I first came in as CNO a year and a half ago in terms of the admissions process in the NROTC program and in looking, obviously, at the same thing with respect to OCS.

I am concerned about the ability of all the military, in addition to the Navy, to be represented in and represented of our people and of our geographic -- the geographic dispersion. I think having a service which only comes from the red states is a very bad formula for the future.

That said, we're all constrained in terms of what we can do. We're not exclusively out of the northeast, because we've got a pretty active NROTC unit up in Boston, a consortium up there as well. So, it's got my focus. I've changed -- literally in the NROTC program I've changed the admissions guidance to effect the kind of outcome that we're talking about here, and it's something I've paid attention to a long time.

The biggest challenge I have is it's 2007 -- you all know that -- but the decisions I make this year determine who my relief is in 2037, and so that's why we've got to have a very diverse officer corps as ensigns to create the kind of leaders that are three or four decades down the road in a world that's very difficult to predict.

MR. PASCUAL: Please go ahead.

MR. HERRIOT: Judd Herriot. I'm a documentary filmmaker. In the Navy of the future that you envision -- I think you mentioned 313 ships --

could you speak a little bit more specifically about ship types. I'm thinking here of the nuclear attack carriers and the boomers.

ADM MULLEN: The 313 ships includes 11 and up to 12 aircraft carriers, and we just decommissioned the JOHN F. KENNEDY a couple of weeks ago, and it is the second to last steam carrier. We have one more left, the KITTY HAWK in Japan. Then we'll have an all nuclear propulsion plant aircraft carrier force. But the next carrier -- the next generation carrier -- is vastly -- which we're building now -- is vastly different from even the ones that we have -- the nuclear carriers that we have. It includes 48 nuclear fast-attack submarines; it includes upwards of 120 to 130 surface combatants, literal combat ships, small, shallow (inaudible), very fast, very adaptable for this kind of long war that we're in; and some of our destroyers and cruisers for the future as well, which I think will be big missile defense assets for the nation in the future as well -- it includes our amphibious ships for the marine lift and the kind of swift, forward-deployed, forcible-entry capability we might need for the future -- and our support ships as well.

So, I come at these things from a balanced position. I'm not putting all my money on one number here, and it gets back to the unpredictability that we have. The challenge is that we build some of these ships for -- we build these ships for 30, 40, 50 years. In the case of the carriers, it's 50 years. So, making them robust enough -- and they're not inexpensive, they're big, capital investments for the Navy and for our country -- and adaptable enough as times will change over the next 20, 30, 40 years is a real challenge and one that we're

facing right now. And -- I'm sorry, and boomers, yes. I mean, we've got 14 strategic (inaudible) submarines right now, and we expect to replace them in about 15 years. Their life will start to run out.

MR. PASCUAL: Just over here.

MR. NORRIS: Yes, sir, Admiral, my name is Lawrence Norris. I'm a drilling reservist in the Navy and formerly a professor at the Naval Academy, and I want to follow the gentleman's comment about the mix of officers coming from OCS, ROTC, and the Naval Academy. The Naval Academy has actually, in the last few years, admitted very diverse classes, but I guess the issue is what's the right mix of people from the Naval Academy versus ROTC and OCS? What is the relative investment that the Navy puts into developing an officer from the Naval Academy vice ROTC vice OCS?

ADM MULLEN: The relative investment is on the order of 2 to 1, 3 to 1 Naval Academy to NROTC to on the order of 7 or 8 to 1, I think, about that as far as OCS is concerned. I have no -- I have no preconceived notion about where a naval officer, naval leader ought to come from. I've seen great ones from all three of those sources, and I've seen others that didn't turn out to be so good that we thought they might. I mean, you've taught there, so you know.

What I am moved by is I've got a significant investment in the Naval Academy in terms of the infrastructure, the support, and the professors. It's an institution that has withstood or has stood the test of time for producing great people, and so I clearly want to optimize my investment there as well but not at the expense of the kind of diversity that we talked about earlier, and that's what

my focus is right now.

MR. PASCUAL: In the middle over here. We'll come back to you.

MR. MORGENSTEIN: Yes, sir. Jonathan Morgenstein. I'm at the U.S. Institute of Peace. I'm also a Marine Corps reservist.

ADM MULLEN: Hi, Jonathan.

MR. MORGENSTEIN: And this might be putting you a little on the spot, but you mentioned the need to increase the civilian capacity as one of the three pillars of our ability to combat, you know, the enemy throughout the future. But, obviously, with a limited financial capability, what is the Navy capable of kind of diminishing its priority on in order to facilitate the growth of that civilian capacity?

ADM MULLEN: I think it's a fair question, and I think it's a question that we need to ask not just of the Navy but in government as we prioritize

We spent -- the Navy has specifically spent -- and I, like any service chief, have been under enormous pressure from a budget standpoint, particularly with the kind of resources which have gone to the ground forces, and rightfully so, where my budget is actually about $7 billion lower than we though it would be four years ago. So, there's enormous pressure on my budget right now.

I'm also coming down about 10,000 sailors a year, and when I get done with that -- I'm in my fourth year of that. I'm going to do it probably for

about another two years. And I will be about as tightly wound in my people accounts as I can be. I haven't done that on my civilian side. I think there's room to do that.

We've undertaken a dramatic shift in understanding the business of who we are. My budget in 08 is upwards of $115 billion. I feel responsible to make sure that money is well used -- you know, where do I put it and what does it buy -- and so where we've done this on the military side with our people, we're doing it now on the civilian side and I think we need to understand our contractor side, which is our goal next year. So, I think there is room there to do that, and in the end I don't think it's that much money for our government in general, and were it put in the right place, I'd give it to the State Department in a heartbeat.

MR. PASCUAL: Just for comparative purposes, the entire Foreign Affairs budget is about -- the request this year is about $36 billion.

ADM MULLEN: Right.

MR. PASCUAL: So, even just comparing that to the Navy's budget of $115 billion, it shows the differences and orders of magnitude of investment that are being made.

ADM MULLEN: Sure.

MR. PASCUAL: Okay, just over here.

MR. ALI: Hi, I'm Mohammed Ali from Voice of America. A couple of short questions. You mentioned terrorism and how the naval forces can be effectively deployed against this rising threat, but the Navy partly, in the last 25-odd years, has had some experience dealing with terrorism if we recall the

experiences of the USS *Cole* and also a cruise missile threat that Iran is posing toward the oil trade in the Persian Gulf, because it has deployed during the Iran and Iraq war its Silkworm missiles. So, if you could touch upon how the U.S. Navy is better equipped to deal with a cruise missile threat and the potential of escalation of hostilities with Iran and, secondly, how it is better prepared to deal with eventualities as was encountered in the case of USS *Cole*. And if you could just touch upon the role you mentioned of the increasing ties with India and Pakistan, especially in the context of Task Force 150.

ADM MULLEN: Okay. Let me start with the *Cole* question first, if I can, to say that obviously that was a huge wakeup call for us. We've invested a lot of time, money, training, and effort to make sure that never happens again. That's from an equipment standpoint of technology and from a people standpoint, as well as where we go and how we go there. And it's always on our mind, and that's the world we're living in right now.

An extension of that, interestingly enough, goes to this issue with Iran last week. We need to be mindful of not just protecting our units but ensuring that our people are protected when they're off the ship and that we have procedures in place to ensure that something like that doesn't occur to American sailors, and I'm confident that we've got those in place, but I'm mindful, watching what occurred last week, that we need to be very vigilant with respect to that.

With respect to the growing relationship with India and Pakistan, again -- probably one of the best ways to say it is a rear admiral by the name of Iqbal who commanded, who was the first coalition commander from Pakistan that

commanded Task Force 150, which is the task force which patrols the area outside the Gulf, in the Gulf of Oman, that part of the world, and he was incredibly good at what he did, and what I'm reminded of when I sit down and talk with him after he completes a job like that was he lives in the neighborhood and he sees the problems through his eyes, and that's a very important characteristic that I think we in America need to pay attention to, that we must work hard to see these problems through other people's eyes, not just our own, and I thought -- but he's indicative of the commitment of Pakistan and of the quality of people that we see individually and also the quality navy that's there, and then in the long run -- I mean, for us -- the development of the relationship with the Indian navy, which is an emerging navy as well -- it's a very good navy where the Pakistani navy is very important. So, all of those things are part of the challenges and, actually, the privilege and the joy of being engaged in those challenges that we are going through right now.

MR. PASCUAL: Bill.

MR. COURTNEY: Bill Courtney with Computer Sciences Corporation. Do you see the thousand-ship navy taking on more structured form in the future in terms of shared command and control technology, interoperability integration of various kinds that would facilitate your developing a coalition of the willing, where, and when you need it?

ADM MULLEN: Very much so. In fact, we are embarked -- I mentioned my relationship with Pat Allen in the Coast Guard, which is a very strong one. We are working and actually have achieved some significant success

very rapidly on, something called maritime domain awareness, and this is the sharing of unclassified data, unclassified information with our friends, and the idea of a thousand-ship navy I don't want to just limit, because we've got involvement far beyond just navies and coast guards. We're involved in the IMO; we're engaged with the IMO who sets all the rules with respect to this. We're engaged on the commercial side, because everybody has a tremendous amount of interest in the commercial traffic being able to move on a secure highway at sea. The technology is not very expensive.

The other thing that happens is once we start sharing this data, and we are right now, I can see pictures in the Mediterranean or on the western coast of Africa that a few years ago I couldn't even have imagined, and what it says to me is we're moving into a regime that we are going to be looking for the anomaly, not looking for -- we're going to see lots of things. It will be finding the needle in the haystack, which is where we are right now. We need technology to help us sort and do that. And, again, I don't expect any of this is particularly expensive. The automatic identification system, which the IMO now requires for vessels 300 metric tons and above -- it's almost a Federal Aviation kind of identification system when you're flying. I think it's -- eventually my vision is it's going to be required on everything that goes to sea, and where anonymity used to be a security blanket when you're at sea, I think anonymity in the future will single you out very rapidly for attention, just as it does today for an airplane that's not squawking, not sending their IFF code. It gets a lot of attention in airspace around the world. That's where we going here.

And the data sharing, unclassified, also builds trust with partners that necessarily -- that we haven't necessarily been trusted by in the past.

MR. PASCUAL: Let me inject a question here and use the benefit of something you mentioned to me earlier.

The admiral indicated that this week he's hosting the Chief of -- the Chinese Chief of Naval Operations, and that probably might qualify as one of the countries that we may not have trusted in the past.

ADM MULLEN: Right.

MR. PASCUAL: And on the other hand, if we look at China in the future and look at projections of GDP growth, for example, in 2050 China will have a bigger GPD than the United States. Its military forces will be larger than those of the United States. They already are, or they may be comparable. I don't remember the exact numbers. And so it's hard to imagine maintaining security in a world -- and certainly security in Asia -- without some form of effective cooperation with the Chinese. So, in that context, can you sketch out for us without, obviously, getting into the things that you can't talk about? What is it that you would like to do with your counterpart from China this week? What kind of agenda do you want to set with him? How do you want to create a joint vision of where we need to get to in our security vision of how we work together in Asia?

ADM MULLEN: Well, I think, actually, it is the joint vision of how we do this that is what we seek, and this comes on the heels of what I consider to be a really important series of accomplishments by ADM Fallon and

PACOM, as he engaged the countries in the Pacific Command region, in particular China, and I am not just a fan of his but a believer in that kind of engagement and having those kinds of relationships. So, he started to open that door, and this is a follow-up to the relationships that he started with his counterparts in China.

ADM Wu arrived today and will be here for the rest of the week -- will be in the States for the rest of the week. It's his first visit outside China. He's chosen to come to the United States to do this. Obviously, it follows the fact that his senior leadership was here last year. President Hu was here last year, and so I'm very optimistic that there is an opportunity here for a discussion on a way ahead to create the kind of vision that you talked about.

I think having a secure environment in that part of the world is vital. We've got longstanding relationships with the Republic of Korea, with Japan, with Australia, with Singapore -- emerging relationships with Indonesia and Malaysia -- all of whom are certainly supportive of having a stable environment out there, and clearly with a navy not just where it is today but where it looks like it's projected to be, it's one that we want to understand the strategic intent here.

That a country would build a navy to secure its national interests in straits like Malaka, that kind of thing -- that makes some sense to me. But there are also some very high-end technological investments that are of concern that I consider to be -- you know, I want to know more about the strategic intent of this if we can establish a relationship which we'll start to understand some of that

better. But more than anything else, it's relationship building and understanding each other, and putting us in a position that if something were to happen I could actually pick up the phone and call him and make sure that we aren't miscalculating and have that kind of relationship. So, that's kind of what I'm thinking about right now.

MR. PASCUAL: And I'm sure Taiwan will come up once or twice.

ADM MULLEN: It does routinely.

(Laughter)

MR. PASCUAL: Side over there.

SPEAKER: My name is Chris (inaudible). My twin brother is an active duty submariner and a graduate of the Naval Academy, and I have two brief and unrelated questions.

The first one, something that we talk about very often and that I think is an issue of concern to a lot of JOs and especially graduates of the Naval Academy is the no tolerance alcohol policy at the Naval Academy, and it's somewhat unrelated but I hope you could maybe share your opinion on whether or not that has a sort of negative effect on the expectation of junior officers to make decisions under pressure as opposed to being mandated -- for example, how many drinks they may have when they're on liberty.

The other unrelated question is the thousand-ship navy and the progress towards that and whether or not you think that the recent U.N. Security Council resolution and the lack of the most robust sort resolution because of

opposition from Russia and China maybe reflects poorly on the ability of the major contributors to get on the same page as far as being able to come out and sanction something like a hostage taking and what is U.N. sanction mission and essentially the sort of mission that we'll be hopefully be calling for, you know, in securing the maritime space with the thousand-ship navy. We get contributions from countries like you highlighted, like in Indonesia, but in the future obviously we'll have the expectation that our NATO partners and hopefully Russia and China will be on board with those missions as well, and I wonder if you could share your opinion on that.

ADM MULLEN: And you're specifically talking about the sanctions that were voted on favorably last week against Iran.

SPEAKER: Yes, basically whether or not the sort of questions of national interest and political constraints might negatively affect the contribution of a thousand-ship navy.

ADM MULLEN: Well, maybe I see this a little different way. I consider that resolution to be a very positive step, and I think clearly with -- as is often -- always the case when you have different views, there's going to be some kind of position shift that's going to have to be met in order to achieve that kind of resolution, but I think that the unanimity of it was a clear message to Iran that they don't have it right, and I was very encouraged by that. There might be some underpinnings there that we might want to differ on, but at the very high level I think it was a very positive step, and, in fact, taken by the entire counsel, including China and Russia, who are in a position -- back to dialog -- it's my view

they're in a position to dialog more freely and more openly with Iran than we are as a country right now, and so I consider all that to be very positive.

Now, tracking that to the drinking rules at the Naval Academy is a reach. I'm -- I -- let me kind of take that to a higher level. I'm concerned each day with the kind of -- with the issue of alcohol consumption period, and I'm in a Navy that basically I get each day a police blotter and there are too many DUIs that I see every single day, and our overall statistics are good. The overall numbers are very, very low. That said, each one of those incidents that takes a life or each one of those incidents that changes a career for ever is a tragedy that I want to bring an awful lot of pressure to bear on. I haven't gotten to the point that I'm diminishing decision making, I guess, was the other part of that, at this particular point in time. I mean, I actually remember being young. I remember enjoying a lot of liberty in lots of places in the world. That said from a leadership standpoint, I want the message to be loud and clear. Responsible use of alcohol is -- I have no problem with, but once we go across that line I've got a lot of problems with it, because I've seen a lot of lives lost and wrecked at its door, and I'm just not going to tolerate that.

MR. PASCUAL: I think -- go to this side here.

MR. SMITH: No one has raised this -- Bruce Smith from George Mason University -- so I thought I might as well throw it at you, Admiral. How about stepping up on the "don't ask/don't tell."

ADM MULLEN: The policy was one that was hotly debated in the early '90s, and I think rightfully so. The policy was then put in place, and I

think it's a policy has served us very well. What people in the current discussion sometimes don't remember is prior to that you had to either identify yourself as a homosexual or lie, one of those two things. So, I think that the policy, in my personal opinion, is interesting but it's really not relevant here, that the policy is one that stood us very well. If it's time to revisit that policy, the American people I believe -- and we live in a country -- the American people ought to raise that issue and we'll have the debate. As a member of the Joint Chiefs and obviously the head of one of the services, I will contribute to that and give my best military advice based on what -- the debate that's going on, and if it changes, it changes. I think that's the path right now.

SPEAKER: (Inaudible).

(Laughter)

ADM MULLEN: Right. The way I would raise that is really up through your representative in Congress and have the debate there and clearly, you know, I will advise accordingly.

MR. PASCUAL: We'll come up here.

SPEAKER: Admiral, the -- we've seen some struggling in the military as far as finances. You have -- I guess it's been a decade wait for the new generation aircraft carrier. We may get two DDG1000s, but whether we'll get seven there is discussion on the Hill as to whether that will would happen. The number of Raptors to go over to another service, F22s, was going to be 750, now may be 183. We're struggling to get tanker planes built. There is discussion of reducing by several hundred the number of joint strike fighters. We've seen

repeated questions as to whether the money will be there, and my question is this. Since November of 1982, which was the trough of the recession then, we've only had two very brief, shallow recessions -- economic recessions -- in a quarter of a century. If we don't finance military personnel for procurement, for facilities, fully now before the baby boomers retire, when will we ever do that?

ADM MULLEN: I think it's a great question. I think the largest issue that we face in the Department of Defense is how we're going to adequately, properly fund our people. There's a very hot discussion on health care. The health care bill for the Navy in 2001 was 11 billion -- sorry, was 5 billion; in 2006 it's 11.5 billion, and in 2011 or 2012 it's upwards of $18 billion, all of which comes from the same pot of money. So, getting that, addressing how we take care of this all-volunteer force that is the best I've seen since 1964 when I joined the Navy, is very important.

Secondly -- and we're spending -- and Pete Schoomaker made this point -- we're spending less than 4 percent of GDP in a time of war right now with this all-volunteer force, and then we have to, I think, have a very healthy debate about what's the right investment in this in the future at what level, and none of us -- or I don't believe 3.8 percent is enough. We -- just like every other service, recession is not with shallow -- shallow recession notwithstanding, there was about a hundred billion dollar procurement holiday that the Navy underwent in the '90s along with the other services -- I mean, the Navy itself -- and we're now recovering from that at a time when all the -- an awful lot of the capability -- the airplanes and ships that we bought in the '80s are being retired. And so that

capital investment and also transforming -- changing for the future, not just building what we built in the '70s or '80s, is also very vital, so that's part of the challenge of creating new programs. We're underpinned by, I think, a pretty healthy R&D world if we're going to have the technology and make the kind of changes that we need for the future. I think you -- there will be many people who will be skeptical about the number of DDG-1000s until we get the seven, or even get beyond seven. We're about to get the first two, which I'm very encourage about, but that's a ship that has great capability, a much smaller crew, and takes into account something we don't do very well in this town -- lifetime costs, not just the cost to get it built, get it out of town, and then figure out how we're going to pay for all that later on, which I still have to do for those things that are out there operating right now.

I think you're seeing, as you talk about various numbers of programs -- those are all symptomatic of a real challenge fiscally with what we think we need to do for the future, what the QDR said, for example, we need to do for the future, and the ongoing debate about where you're going to put your resources. I mean, I'm very concerned about -- I mean, I recognize the defense budget's gone up dramatically since the year 2000. That said, we're in a time of war. It's going to be sustained. So, how to get it right for the future -- what's the right percent? And I also recognize there have been plenty of other government agencies who have not been funded, whose budget -- who have been funded but whose budget has not gone up, and that's out there as well, in addition to the baby boomer challenge that you talk to down the road. So, I mean, there is a huge

fiscal train wreck out there for us as a country inside which, you know, defense is a piece of it, but it's only, right now, 3.8 percent of the GDP. I think we, as a country, can afford it, and I think it's an imperative we get to that in the world that we live in in the future.

MR. PASCUAL: Let me take two more questions.

Scott?

MR. HAROLD: Scott Harold, Brookings. Admiral, I'd like to draw you out a little bit more on two questions that have already been asked -- the don't ask/don't tell and Carlos' question on China.

First, rather than ask you to give your opinion, I'd like you to give us a few facts about "don't ask/don't tell," if you could. Has it affected the military or, in particular, the Navy's ability to function in any particular area? Are there any particular specialties that you've lost a number of people to that have left you undermanned as a result of this policy?

And on the China question, what is it that you're seeing the Chinese do, whether it's acquiring (inaudible) monies from Russia, purchasing Sunburn missiles, possibly building the Guadaport in Pakistan, or seeking a deal with the Seychelles for port calls there. What are the issues that you're most concerned by with the Chinese that you'd like to raise with your counterpart? Thank you.

ADM MULLEN: To the first question on don't ask/don't tell, that policy, I have not seen any specific comprehensive impact with respect to the number of people who have been discharged from the Navy. And the numbers

are less than 1 percent or thereabouts since the policy was put in place. And people leave the Navy -- they're discharged from the Navy every year for lots of reasons. So, I haven't seen any big impact of that.

With respect to the Chinese developments, and you've raised a few of the concerns, it's a maritime domain there. Clearly, it's my view that the Chinese are shifting from a land-centric force to an air-centric and naval-centric force, and clearly that force and capability have the potential to focus very much on the United States Navy. We've operated out there for a long time, and we will continue to do that, and so, clearly, those kinds of technological investments have my attention.

Just like I said with Iran, I don't think any of us are ten feet tall. We've learned a lot about each other. We just, in the last couple of years, have started this relationship building, so I think that's really the key. The key strategic issue for me is to have these relationships understand strategic intent, and we've all been pretty consistent about talking about talking transparency in what that strategic intent is.

MR. PASCUAL: Okay, and final question here.

MR. EMERY: Thank you. I'm Tom Emery and I'm a retired Army guard type, and I appreciate you being here today, Admiral. Two months ago the Washington Times reported a story about a Chinese submarine which --

ADM MULLEN: Right.

MR. EMERY: -- stopped an aircraft carrier group in international waters near Okinawa and merged from the water within striking range for

missiles. Assuming that that is a reasonably accurate report, which you would know best probably, what would be the impact of Chinese activities like that on your interpretation of what the Chinese strategic intent might be?

ADM MULLEN: Well, it's a question -- it's actually a great question. I'm not sure the term "stalk" is the right answer here, and there's an awful lot of stuff associated with what happened out there that's classified that I really can't talk about in this forum, but it very much got our attention. It got our attention probably more than anyplace else, just what I would call operationally, that they would come out, they could do this, those kinds of things. And one of the things that the Chinese have -- Chinese navy in particular -- which is where I focused -- is they predicted they were going to do certain things, build at a certain rate, have certain capabilities, and they're living up to their own expectations with respect to that as they continue to evolve.

I didn't take any particular -- I mean, I wasn't overly concerned that that submarine, which was a Song submarine, which is a very good submarine -- it's a diesel submarine -- had the kind of strategic intent to do us any harm. But, clearly, he demonstrated a capability -- the Chinese navy demonstrated a capability that was very important to him and obviously he got our attention with respect to that.

We are, on a routine basis -- certainly we pay a lot of attention to where their navy is, where they go, and what they do, and so there were clearly some things we needed to adjust based on that, and it was pretty close. It was -- and it was unexpected, so we learned a lot from that, and are, again, mindful of

their continued development and the need to engage them.

And, back to what I said earlier -- back to ADM Wu's visit here -- is to make sure that we understand each other, that I have a relationship to deconflict something if it looks like something's escalating.

MR. PASCUAL: Let me just ask you one final question and ask you, Admiral, if there are any final thoughts you want to leave us with.

We've covered relationships with many of the major countries in the world. You mentioned your talk with Russia and the importance of wanting to have a constructive relationship with Russia at a time when relations with Russia are complicated. They're part of the G8, yet President Putin comes to one of the major conferences involving defense ministers particularly intended from the West and makes a very, very strong statement about his views of the United States exceeding the, let's say, international norms and it's imposing its views on other countries throughout the would on issues such as democracy, and in the United States there have been intense feelings about Russia, about its intense sense that there has been too much of a concentration of power in Russia. And in the past, interestingly enough, when there have been some of these difficulties with Russia, we've in fact actually been able to build some relationships through military contacts. So, clearly that happened through joint deployments in Bosnia and that helped address some tensions as we were beginning to discuss the process of NATO enlargement.

The military environment, I'm sure, with Russia has to be complicated with Russia threatening to withdraw from the INF treaty. I wonder if

you can talk a little bit about your relationship with your counterparts in Russia. How would you characterize those? Is this -- are those military-to-military contacts ones that you think can actually be a source of stability in the relationship?

ADM MULLEN: The Monday in July of 2005 when I took over the Monday, the first day, I came into the office, the Russians had just lost this submersible with seven submariners on it off their east coast. The first phone call I made was to then Fleet Admiral Massure, who was the point -- he was the point man for solving this for the Russians. Had a very good conversation with him and basically just offered all the help we could put in play, and that's an undying principle of people that go to sea. We help each other in distress, and we moved mountains to get the capability to rescue those guys, as did the Brits, and it turns out the Brits got their first, which I thought was terrific, and helped save those guys.

Subsequent to that, I met with him at an international symposium in Europe. I've invited him to come to the United States, and I'm hopeful that he can do that later this year. He wants to do that. I know that the admiral who heads up our forces in Europe is very engaged with his Fleet commanders, both in the North Sea fleet as well as the Black Sea fleet, and along the same lines we continue to really try to generate relationships which will serve us very well in the future.

That said, as it is in our country as well -- I mean, military -- and every country's got certain limits, and the political aspect of this, as you indicated

seems to be very, very challenging, and the -- I use the term earlier, the "reemergence" -- well, resource certainly by energy resources -- is a great question, and the Russians historically have had a pretty strong navy. They've gone through some challenges. They clearly are investing in that navy in the future. So, it's one we'd rather operate with than not, and I thought specifically at the conference you're talking about I thought Secretary Gates had handled it exceptionally well when he said one cold war was enough, we don't need another one.

MR. PASCUAL: Admiral, I think that's probably a good way to close -- one cold war was indeed enough. You face tremendous challenges in adapting to the kinds of threats that we're going to face in the future, and some of them are unknown and some of them are extremely difficult because you relate to them but you in and of yourself can't deal with them, and so it puts you in an environment of needing to reach out to other nations, other services, the civilian parts of government. We wish you the best success in that as you continue to work to modernize our capabilities for the future.

ADM MULLEN: Thanks, Carlos, thank you. Great.

(Applause)

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