

**NATIONAL DEFENSE PANEL**

**BRIEFING ON REPORT,  
TRANSFORMING DEFENSE - NATIONAL SECURITY  
IN THE 21ST CENTURY**

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9:30 AM

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## PANEL MEMBERS:

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## P R O C E E D I N G S

MR. HANLEY: Ladies and gentlemen, welcome to this introduction of the report of the National Defense Panel. This briefing will be on the record.

Our Chairman, Mr. Odeen, will give a few minutes of remarks and then open the session to questions. If you have questions, there are microphones on either side of the room.

And without further ado, I'd like to introduce the panel and then the Chairman.

On my immediate left is Philip Odeen, the Chairman of the panel.

And then moving from your left to right is Ambassador Richard Armitage; ADM Dave Jeremiah; Ambassador Bob Kimmitt; Dr. Andrew Krepinevich; Dr. Janne Nolan; and GEN James McCarthy.

With that, I'll turn it over to our Chairman, Mr. Odeen.

MR. ODEEN: Thank you, Paul. Two members of our panel were not able to be here today, GEN Bob RisCassi and GEN Rich Hearney. Unfortunately, we've been meeting very

intensely for the last several weeks. And they all had to get back to their jobs, I believe. So, unfortunately, they could not be here today.

Let me add our welcome to all of you and thank you very much for being here today.

We're going to -- I'm going to make just a very brief set of comments on the report. You've all had a chance to look at it, so hopefully you all have a fair idea of what we're saying. So we'll try to spend most of the time this morning on questions and answers. And so after a few moments -- a few minutes of comments, we'll open up the questions.

The panel members are available afterwards; if any of you want to spend a few minutes with us afterwards, we'd be happy to meet with the press on a one on one basis to answer any further questions. So again, welcome, and we look forward to the discussion later on.

Let me just start with a very brief overview. As I believe you all know, this report -- this study was mandated by the Congress last year at the same time they managed the -- they mandated the so-called Quadrennial Defense Review,

QDR, by the Pentagon. They also directed that a separate independent look be taken at the U.S. defense forces and requirements and force structure for the future.

The panel is independent, a mixture of former military and civilians who have been involved in this business for a long time, also people of deep diplomatic backgrounds, as well.

We spent a great bit of time. We started essentially at the end of February and over the past eight or nine months, we've met extensively with the senior defense leadership, the Secretary, the deputy, the senior leaders in the Office of Secretary of Defense, the service chiefs, vice chiefs, the chairman. We met with all of the commanders in chief, all of the CINCs. We also met with a range of academic experts, former defense officials. And we reached out quite widely. We had two open sessions with the various think tanks.

So we made a serious effort to get a broad range of opinions on the issues we're talking about.

We also had the opportunity to frequently interact with members of Congress, including Senator Dan Coats, who I just saw walk in. And Dan and some of his colleagues have been very helpful, as well, in providing their insights to the panel.

Our effort was to look beyond the current issues and essentially go to 19 -- the year 2020, and look back. We focused very much on the threats and issues we're going to face at that point in time and didn't really take a look at near term applications until almost the report was fully done. We spent our real time looking out 20 years in the future, and at the end looked back in a sense at what the implications were for the near term.

The product is a report which focuses very much on future challenges, potential threats 20-25 years in the future, talks about a range of capabilities we may need at that point in time. None of us are smart enough -- I don't think anyone is -- to say exactly what the issues and threats are going to be at that point in time. But we do feel there are a series of challenges we have to begin now to prepare

ourselves for if we're going to be able to handle them effectively at that point in time.

And, finally, we have a transformation strategy which talks about how we take actions now to begin to develop the capabilities and the operational concepts we'll need to be an effective fighting force in the future.

Very, very brief top line of our report, we -- first of all, is that the challenges will be very different in the future. The future wars are likely to be quite different from those we face today. And the kinds of forces, the kinds of tactics, the kinds of concepts that work very effectively in the past are risk -- there's high risk. They will not be effective 15, 20, 25 years in the future. We have to take a different approach.

And, finally, we begin to make -- take this transformation soon. We need to start right now. Not only in changing the way the military operates, but we also believe quite firmly that we have to look beyond DOD to the entire national security apparatus and also our relationships with allies. It's important that the entire U.S. government

effectively work to preserve our national security interests.

It is not just an issue for defense. We talk about that, as well.

The kinds of challenges we'll be facing 20 years in the future are likely to be quite different than those of today. And I don't think I need to spend a lot of time on this. You all recognize this.

The adversaries are likely to be very different than the Warsaw Pact kind of threat we faced in the past. Any future adversary is likely to approach us in an asymmetrical way -- in a sense, take a look at our weaknesses and attack those, avoid attacking our strengths. Future adversaries are certainly going to have looked at the results of the Gulf War and not make the kind of mistakes the Iraqis made. There may be different venues. We may be concerned -- we believe we'll be much more concerned about defending the United States within the United States from potential weapons of mass destruction, terrorist attack as well as missile attack.

Also, cities, which are growing rapidly in the less developed world, are likely to be areas we're going to have to operate in.

We'll have additional partners. We believe coalition warfare, allies are going to increasingly -- going to be increasingly important; and also international organizations and even non-governmental organizations are important in many of our security operations.

And, finally, time lines will be reduced. Because of the use of information technology, everything happens more rapidly. We have to react more rapidly. And obviously we're unlikely to have the five or six month period to build up and prepare for any future conflict.

As a result, we have to change in many ways. First, we'll need a range of additional capabilities. I'm not going to talk about these, per se, but we believe lightness, agility, mobility will be much more important. We're simply not going to have either the time or the ability to lift very heavy forces into some conflicts. They'll certainly have value in other cases. But in many cases,

we'll need to be very light and able to get places very quickly and not be in a position to sustain the heavy logistics tail that many of our current forces require.

And they also must be inter-operable, across all of DOD. Jointness will be even more important, but also with allies, coalition partners, as well.

The culture also must change. It must be more flexible. We simply have to be willing to change, to recognize changes and to rapidly move to change, not only the kinds of equipment we use, but how we employ the forces, how we work with our allies and so on.

We have to be innovative, willing to make change, to recognize the need for change and to respond quickly.

And, finally, we have to be integrated across all of DOD, but importantly with our allies and also across all aspects of the U.S. government's national security apparatus.

So, being integrated will also be more important in the future.

Our report talks at some length about a transformation strategy. This little schematic just gives

you a flavor for what we're thinking about. We believe it's important to do a lot of experimentation, a lot of testing, a lot of trying of new ways of waging war, new ways of employing our equipment, trying out new kinds of equipment, both off-the-shelf technology, but also military technology.

Take some risks in the near term. And that may mean stretching out, cutting back, or even canceling some current weapons in order to invest more in new technology and new ideas. But you try them. You experiment. Things that work you then take to the next phase, which is to exploit those capabilities and begin to produce real military capability. By doing that, you begin hedging your risks and providing yourself with significant additional capability.

We see this as an iterative process. You don't do this just once. You test, try, exploit, and go back and test new things. So we see this as a process that will continue on an active basis for the long, long time -- certainly all through the foreseeable future.

Our bottom line is; first of all, we have to focus on future operations. We talk in the report at some detail

about the current force sizing strategy of two major theater wars. We believe in looking farther out in the future, we have to -- we have to plan in a different manner.

The real decisions in the Pentagon are really decisions about risks. There are no easy decisions. It's a choice about where do you want to take risks? And our view is the near term risks are relatively low in the major conflicts. And, therefore, we have to put our focus on the longer term and do our investments in a way to prepare ourselves for the future.

We have to exploit the many, very significant military capabilities the U.S. has today, information technology in particular, telecommunications, the ability to network forces, the real impact that modern electronics is having on the battlefield. The U.S. has an incredible advantage in that area we need to exploit over the future.

We also have to worry about emerging threats. We don't see any significant threat in the scope of -- in terms of the Soviet Union anywhere in the foreseeable future. But almost certainly there will be new threats, regional threats

perhaps and certainly smaller threats, including threats to the United States, terrorists, use of weapons of mass destruction. And, therefore, we'll have to focus more on these changing threats in the future.

And, finally, the Pentagon today is really burdened heavily by many legacies of the cold war, in particular an excessive infrastructure, too many bases, an expensive support structure which relies on outmoded ways of doing business. And we believe that it's essential that over the next several years, we take active steps to not only close bases, have additional rounds of BRAC -- to close bases is important -- but also to take advantage of the new ways of doing business that the American business community has pioneered so effectively. So, outsourcing, re-engineering of business processes and things are also important. It will also free up significant dollars to do the investments that will require it.

I mentioned earlier the need to broaden jointness, not only to be more joint with our own military but also to incorporate in there our allies, coalition partners, non-

governmental organizations, international organizations. So we have to reach out more widely for the future.

And, finally, within the United States, we have to really involve the entire national security establishment -- the State Department, the economic parts of government, as well as the Defense Department. And that's not just for military operations, but peacetime operations, humanitarian operations, what the Pentagon calls shaping activities, which we believe are very important, maintaining a stable -- stability in regions around the world is important if we're going to avoid having to use military power. So we think it's critical that we think more widely about the broader national security establishment. And the changes there are also part of this transformation strategy.

So, in summary, we believe there will be very different challenges that we'll have to face, the United States will have to face 20 years from now. More concern about protecting the United States from external threats, including terrorism. Space is likely to be contested by some of our potential adversaries. We'll have to pay more

attention to space -- not only to exploit the very significant advantages we have there already, but to maintain that advantage and protect our assets and to avoid potential enemies from using space.

Information, again, an area of great opportunity for the United States, but one that can be exploited by potential adversaries, as well.

And, finally, we could expect asymmetrical kinds of threats in the future.

This transformation strategy we propose is not just a defense strategy, but there we're talking about broader use of joint testing, joint operations, joint activities of all kinds. We suggest a number of changes to the so-called unified command plan, the way the military is organized for unified activities.

We also think it's important to go more broadly to other parts of government and international agencies.

It's critical that we continue the reforms of the acquisition system and that we take very aggressive steps to cut the very heavy cost of support infrastructure. Of the

\$250 billion budget, \$140 billion is spent on support-type activities, including infrastructure. And we simply have to reduce the cost of that part of the overall budget in order to free up the funds we need to take the kind of changes that -- to transform our forces the way that are required.

And, finally, we need to think beyond the boundaries of the Pentagon and look at the -- the entire national security establishment, as well. And that should be part of our transformation strategy.

Let me stop at that point. And I'm delighted to take your questions. What I'll do is I'll kind of moderate here and pass the mike.

Senator Coats, do you want to make a comment?

SENATOR COATS: I'm here to listen.

MR. ODEEN: Okay. Thank you very much for being here. John?

QUESTION: You implied that there is a -- that each of the services is having difficulty embracing the future -- the way that they plan, the way that they fight, the way that they buy their weapons. Can you go service by service and

talk to us about how the existing structure of the service, in your opinion, has to change from the way they are today?

MR. ODEEN: Okay. Let me -- I think one of the things we were impressed by is that all of the services have really thought through future operations. They have studies. Each one has a series of studies on what they see the warfare being like in 20 years in the future, and some very creative, very innovative ideas.

Our concern, I believe, is that while they have these very clear ideas in mind, they talk a lot about them. We don't see much investment going on to -- to make those changes. And we believe you're simply not going to be able to get there without -- without those investments. Let me comment briefly on the Army and maybe ask some of my panel members to comment.

There's a series of studies called "The Army After Next," very interesting ways of -- a very different kind of Army. Divisions go away. Combat units are much smaller. They're very agile. Firepower is employed in very different

kinds of ways. The weapons they use are quite different than those of today.

And there is broad support within the Army for this kind of thinking. A number of books have been written, one called, "Breaking the Phalanx," some things like that that are quite widely known.

But if you look at the investment, there's money being spent, but our view is not nearly enough. They need to move more rapidly.

The Marines have a lot of interesting ideas. Urban warfare, joint operations, doing a lot of interesting things out in the desert. But, again, are they moving as quickly as they should?

Let me ask Dave Jeremiah, ADM Jeremiah, to talk briefly about the Navy and then Jim McCarthy about the Air Force, since we have those two with us today. Dave.

ADM JEREMIAH: The Navy has always been a very mobile force, and particularly with the submarine arm, has had a stealth component to it. That has been significant.

As we look at the future, what we see is a need to pull the various elements of force structure together as an organization, but not necessarily in the old classic battle group where you had, in World War II at least, you'd have a couple of carriers surrounded by destroyers. And that's still the mental image that people have.

But today the United States Navy operating in the Mediterranean, for instance, encompasses the entire Mediterranean under the scope of what used to be a single battle group. And it does that through -- and is moving toward what has been called network-centric warfare in which you pull together the mass of the weapons not by physically moving them to a single place, but by creating a network of information that flows throughout the force enabling someone who wants to bring firepower in a concentration in a particular area, the ring of fire that's been described in some other documents, focuses that firepower in a particular place.

So the first thing that the U.S. Navy is looking towards will be to improve even more than we have today our ability to operate in a network-centric mode.

Secondly, in doing that, we want to increase the firepower that we get out of the Navy, so that when you put a surface combatant adjacent to an area where you want to exert influence, you have firepower that will reach in and support ground forces, be they Marines or Army forces.

I think that we also are particularly interested in being able to see a transformation of firepower in terms of the kinds of weapon systems and the weight of weapon that we can bring to bear in support of the forces on the ground. That's not to say that we're going to forget about the diesel submarine threats and the mine threats that exist at sea. Those things are still very much on everyone's mind. And the Navy has been working hard to try to deal with those, as well, so that we keep our defenses -- so our defenses keep pace with the offensive capability.

MR. ODEEN: Jim.

GEN McCARTHY: I think the Air Force describes where they're heading quite well. I believe our comments suggested that there needed to be longer range aircraft rather than the larger numbers of shorter range aircraft to deal with the challenges that we see in that time frame.

In terms of production quantities, smaller numbers and then moving to the next generation of technology as quickly as possible.

And then ground surveillance capabilities need to be expanded in numbers. And I think that's the major thrust of the impact on the Air Force system.

MR. ODEEN: Let me ask Rich Armitage, Ambassador Armitage, to comment, as well.

MR. ARMITAGE: John, I think a more specific answer to your question, we lay out a template of characteristics of the force of 2020. Speed, stealth, mobility, small logistics footprint, precision strike, long-range strike, capabilities, et cetera. And if you accept that template -- and I believe most of the services do -- as the characteristics of the force of 2020, then you look back and have to question some

of the specific procurements that the services are making now.

For instance, if you accept that template, it might make you question why you never have another 70-ton, 65-ton tank. It might make you question why you'd have technology that's 30 or 35 years old in your helicopters, things of this nature.

So I would implore you to look carefully at the characteristics of the force, which I think the services would endorse, and then apply that against their procurement plans of the present. And I think you'll see that it will lead them in a very different direction.

QUESTION: So they're having trouble making the transition, is what you're saying?

GEN McCARTHY: I'm suggesting they haven't started the transition. And I think the job that Mr. Odeen and the rest of us engaged in was to try to give them our views of how to transform, how to get on the plan to transition.

MR. ODEEN: I think the issue is, they have a lot of near-term challenges. They're very busy, very active.

And it's not easy to reduce the investment in today's weapons and focus on the future. They've got a lot of -- it's a tough choice you have to make, but it's an issue of risk, as I said earlier. And we believe the long-term risks are much greater, so they need to move.

Question right here.

QUESTION: Yes. Do you see a minimum budget to sustain this or to support this? And, secondly, do you see the experimentation being driven by an expanded ACT -- ACTD program?

MR. ODEEN: Sure. Two-part question. As far as the budget, our -- we used -- our assumption is the budget will be relatively stable for the next, you know, X years, I think, which is what the Pentagon assumed.

We certainly looked at the possibility of asking for additional funds in our discussions, but I think that that's not very likely to happen. If anything, the risk is on the down side, that there will be pressure on the budgets in the out-years when we -- as we get closer to 2002 and some of the non -- the discretionary non-defense spending cuts

start taking place. There may be a lot of pressure on the defense budget.

So we feel that it's even more imperative to move quickly on these infrastructure costs to try to get those reduced right now to free up funds, or if the worst case happens and the budgets get cut, there are still funds available to do the transformation.

In terms of how you do it --

QUESTION: (Away from microphone.)

MR. ODEEN: We don't have a number, per se. I mean, our -- we believe it would be -- if we could maintain roughly today's levels, we believe that funds are adequate to handle this transformation if we're willing to make some tough choices. And if you don't make tough choices, you're simply not going to have this transformation or at least one that is going to be effective.

In terms of how you do it, ACTDs, which are essentially tests of new technology, we think that's a very good approach. They should be encouraged, expanded.

One of our proposals is to create something called the Joint Forces Command, which should have control over all U.S. base forces, but also have the responsibility for testing new concepts. We propose creating something called a joint battle lab, which would be a headquarters that would run all of these joint experiments. We think the testing needs to be joint in most cases. The service testing sure ought to go ahead, some service-unique capabilities.

But we believe you need a joint process, which would be run by these joint battle labs to run a variety of experiments with not only new technology and new weapons, but also new ways of operating, new ways of communicating and so on. So we see a very active set of experiments and tests largely driven by this joint activity, but encompassing also the service test. And ACTDs would certainly be an important part of that.

QUESTION: Ambassador Armitage started a contingency list of what he thought he could do without. Can anyone else expand on that?

MR. ODEEN: Well, we have a section in the report on that. Why don't we -- why don't you take a look at that and we'd be happy to talk to you afterwards about it in more detail. But we have a lot more questions. Right here, right behind you.

QUESTION: There's a section here on how the national security apparatus has failed to get a handle on the change or the need to change, and it sounds like you've totally brushed them off. That being the case, I wonder if you could expand a little bit on what the national security apparatus has failed to do --

MR. ODEEN: Sure.

QUESTION: -- and if it wasn't all that critical, why did you (away from microphone)?

MR. ODEEN: Let me ask Ambassador Bob Kimmitt to answer that. He's had a wide range of experience both within the Pentagon and across the executive branch, as well as being an ambassador. So, Bob, how about responding to that?

MR. KIMMITT: We put it late to make sure you'd read it that far back. I'm glad to see that you have. I

think, just historically, if you look in 10-year blocks, the period of '75 to '85, we had to put our individual services back together after Vietnam.

'85 to '95 was really the time that jointness came into its own, largely as a result of the impetus and Goldwater-Nichols. We think now not only do we need to move to the new levels of jointness that Phil mentioned and that are laid out in the report, but that you've got also to get the interagency piece right and the combined piece right, that is, with friends and allies.

Otherwise, what you're going to find is that our forces are going to be both employed and deployed too early and too often into non-strategic situations that are perhaps better handled by diplomacy, economic assistance, non-governmental organizations, friends and allies.

And I think that for the military itself, particularly when you look at friends, you want to make sure that we don't not just move ahead, but leap ahead, and leave the others so far behind that we're sort of condemning ourselves to unilateral action in many circumstances.

On the national security apparatus itself, I think that there has been a growing trend when people sit around the interagency table and look at a problem to move too quickly to, what can the military do to solve this particular issue?

And, really, the military should be an instrument of last resort, one that is used for, yes, shaping purposes but ultimately to protect our strategic interests. And I think that the notion of what we have here is to suggest that other parts of the U.S. government, other friends and allies need to do the same kind of search and analysis that defense did in the QDR and what we tried to do in this report. Ultimately, to make our military more effective by being part of both an interagency team is more effective in an international team is more effective.

Senator Lugar had a proposal to do something like this for the State Department. There is something called a 21st Century Security Strategy Group that was passed -- in this past Congress. And I think they're going to look at these more broadly. I think those are moves in the right

direction. I think we lay out some good ideas on what can be done even short of that, however, to make the interagency piece work right. And then ultimately I think we have to work even closer with our friends and allies to make sure that we're moving forward together.

MR. ODEEN: Back there in the middle, we have one in the left side here for a second.

QUESTION: (Away from microphone.)

MR. ODEEN: Let me try to respond to that and then maybe ask one of the other panel members to comment on it, as well. The current strategy of being prepared for two major theater wars that happened in very brief, quick succession -- we have a war starting in one place and within a matter of 50, 45 -- 50, 60 days later, another conflict starts -- is, we believe, a relatively low probability scenario, to have two things happen that close together. But planning for that kind of contingent -- set of contingencies does create a lot of stress on certain kind of forces. And we believe is not -- is dysfunctional in that sense, that we would be better off to have a broader set of planning considerations that

look not only at preparation for large regional contingencies, but also for smaller contingencies, various kinds of humanitarian, peacekeeping and other activities.

The fact that you plan a robust capability for one contingency doesn't mean that if a second one should happen, you're unable to respond. We still have significant other forces. You might respond in a very different kind of way.

But we believe that this focus on two major theater wars does divert funds and distracts attention from investments for the longer -- farther out in the future.

How about there was a question right over here.

QUESTION: You were talking about -- you made reference to the need for a change in culture. What are you going to do in terms of getting your plan adopted or getting even elements of your plan adopted by one of the most conservative bureaucracies in Washington, the Pentagon; as well as how do you overcome what goes on the Hill where you have politics entering in terms of the budgeting for huge defense systems that aren't asked for by the Pentagon? How

do you deal with that entire mind-set and shift of the mind-set into the direction that you say it has to go in?

MR. ODEEN: Let me talk about the Pentagon first or the defense establishment first. I believe the challenge there is obviously to not only get people talking and discussing these issues -- and we'll certainly do our best to reach out and talk to different audiences. I know we're speaking to war college groups and various kinds of defense groups. We'll be, I'm sure, up on the Hill meeting with the people on the Hill, as well.

Many of the ideas that we're talking about here, the very significant dramatic changes, transformations we're talking about are things that are actively being considered within the Pentagon. So it's not as if these are ideas that have to be forced on them.

What we need to do is help build support for some of these more rapid transformations for changing emphasis, changing priorities, in order to provide both the attention and the priorities and the dollars required to make these things happen.

The Pentagon is a conservative organization in a lot of ways. But they've also made some quite dramatic changes in the past. So I believe they can be made. The Congress is a different problem.

Senator Coats and a number of his colleagues have been extremely interested in our -- in this process. We've had a number of meetings in both the Senate and House side. I believe there is an interest among a number of the leaders in both houses to begin asking some tough questions about these kinds of issues. And I'm hopeful that we'll get a real debate going.

If the only result of this is an active debate on these issues, I think we'll feel like our goals were achieved. Let me ask Rich to add to that.

MR. ARMITAGE: I think I should defer to Senator Coats for this answer, but I'll say my view. Some of us have spent an inordinate amount of time with the U.S. Congress in the last three or four weeks. And it is our hope and indeed our belief that when the hearings begin next winter in January and February, that you'll find members of the

National Defense Panel testifying before or after administration witnesses. And I think that's the way you're going to get a real debate.

We have been led to believe, at least by members of the House and the Senate that this was how they envisioned us operating. And I'm not sure in which order people will go. But, clearly, if there is some wind in the sails of this report, then the administration will have to put their budget programs forward with an eye to these and an eye to the template we put out. Certainly this is the expectation of the U.S. Congress.

MR. ODEEN: Let me add to that. First of all, Senator Coats, I don't think it was an inordinate amount of time. It was all fully -- fully required. That's Rich's view.

Let me just add to that. We have met regularly with the people, the senior people in the Pentagon. I believe Secretary Cohen is very sympathetic with many of the ideas we're talking about today. And I believe we'll get support for many of these ideas from the Pentagon. Again,

I'm hopeful this will provide the impetus for a real discussion, real debate.

Back in the back here, there was a lady back here. Right there.

QUESTION: (Away from microphone.)

MR. ODEEN: Are you talking about civilian employees of the Defense Department? The question is -- it has to do with the role of the civilians in this activity. Most of your civilians are involved in what are essentially support-type activities. If you look at where the -- I think there's about 700,000 or 800,000 civilians across all Defense. Most of them are in maintenance, logistics, supply and activities like that.

My expectation is that you'd see -- you would see over the next five years some substantial reductions in numbers of civilian employees. The numbers of civilian employees reduced over the last, say, ten years, they've come down much more slowly than military personnel because they're -- the support structure has not come down as rapidly as combat forces.

So if the ideas we suggest -- and these are things that the recent defense reform initiative that Secretary Cohen announced, I believe two weeks ago today, suggesting many of the same things will probably result in some substantial reductions in civilian employees as either activities are cut back or they're perhaps outsourced or privatized.

How about right here and then we'll go to -- right in the front row, right. Yes.

QUESTION: The armed forces has moved from making some of these changes over the last decade or so, and yet the last war we fought in the Persian Gulf was essentially using many of the outmoded strategies and tactics that we're changing away from. You talked about there was a war fought with those big 70-ton tanks and large-scale units and additional armies even today.

Isn't there the chance that we might change this new force and then find ourselves in an old-fashioned conflict, as we did in '90 and '91?

MR. ODEEN: Sure. Yeah, good question. First of all, as you say, '90 and '91 was really almost -- the tactics there were those we developed for the Russians, the Soviet threat, in many ways.

Even if we transformed very rapidly over the next 20 years, you're still going to have a substantial legacy of today's systems. The length of time these things last, the cost of building new ones are such that our assumption is that you would still have significant forces, whether they're naval forces or air forces or land forces.

So this transformation is not going to happen overnight even if it's done aggressively. So our view is we would transform substantial parts of the forces, but you'd still have significant legacy.

For example, if we talk about the Army, the land forces, we recommend that the new round of upgrading equipment be restricted to the forward deployed forces, the division in Korea and those in Europe, plus the forces at Ft. Hood in Texas, the III Corps. That's just a portion of the Army.

I think the rest of the Army ought to move much more rapidly toward the Army After Next type of organization and tactics and so forth and weaponry.

But that would still be a very significant force that could be involved if you had a more traditional kind of combat. So these transformations, because of the length of time weapon systems last will still have a significant legacy capability for a long, long period of time.

Up here in the front row. This gentleman has been very, very patient.

QUESTION: I've got two. Were there any mission areas, operation mission areas in any of the services that can be very obviously irrelevant now, things they've been doing traditionally for 50 years but really don't have any relevancy for the threat situation in the future?

And, also when you say, longer-range aircraft at the expense of shorter-range aircraft, are you saying more B-2s versus a strike fighter? Or could you explain what that means?

MR. ODEEN: Sure. Let me ask -- let me ask Andy to answer the first one and Jim McCarthy the second one since he mentioned it. But, in terms of missions, Andy, do you want to talk to that?

DR. KREPINEVICH: Well, I think in the Panel's work, essentially what came out is that once you get beyond the near term, our charter was to look at 2010 and beyond. What you see are some very different kinds of operational challenges, some very different kinds of missions.

And so, for example, with respect to power projection, there was a concern that we might be put into a situation where we have to project power in the absence of forward bases, which traditionally has been a major part of the way we project power. We may have to project power far inland. Or that we may have to take steps to control space as the commercialization of space continues and as more and more countries gain access to space. Or that we may have to take steps to protect our information infrastructure the way we used to think about defending our industrial infrastructure.

So certainly we did see very new and different kinds of missions coming into play beyond the near term.

The great emphasis on experimentation was, as Phil Odeen has said, to take a lot of the good ideas that are now resident in the services and bring them to bear in solving these operational challenges through joint experimentation because we do plan to fight jointly.

And, consequently, what it is hoped is that as a consequence of those kinds of exercises, the relevant new missions will be identified, the sort of legacy missions that aren't necessary or certainly would play a much lesser role can be identified, as well. And that would be a major part of the transformation.

MR. ODEEN: Let me ask GEN McCarthy to answer the question about long-range aircraft. I'll try to repeat all of the questions here. Apparently some of you couldn't hear them. Jim.

GEN McCARTHY: The short-range aircraft programs of all of the services represent between 4,000 and 5,000 aircraft over the planned buys of them. And so we thought

the numbers looked larger than necessary considering that each aircraft would carry more ordnance, more precision capability, and have different ways of applying those weapons.

We also looked out to 2020 and saw that there is no planned longer-range aircraft by any of the services. And that imbalances what we were addressing particularly in my comments and in the application of the template as to how we ought to deal with future aircraft.

QUESTION: So does that mean more B-2s?

GEN McCARTHY: It was not specifically meant to be, buy more B-2s. It was looking long-range in the future. We don't have a long-range aircraft on the drawing boards that follows or replaces the existing systems. And that was the basic thrust of the Panel's consideration.

MR. ODEEN: Back over here, please, right here. And then two more on the side.

QUESTION: (Away from microphone) China and India will be increasingly important to (away from microphone)?

MR. ODEEN: The question has to do with the increasing role of China and India in terms of America's strategic interests. Really the point there I believe we're making is that if you look at that part of the world, those two countries are both obviously large countries, both developing economically quite rapidly. We'll have the -- both the technology and the resources to invest in their military if they decide to do so. And, therefore, both countries could be significantly more important military powers in their regions 20 years out in the future.

So our point simply is that these are countries that we'll have to be working with over time. We think it's very much in the American interest to maintain close relationships, build your good relationships with both countries to ensure that they both develop in ways that are, you know, focusing on development that's in everybody's interest including the Americans.

So we just think that because of the size of those two countries and their economic power, that's important. India, of course, is a very large country, very good

technology. And they have an expanding military capability right now. So it's a country we'll have to watch to work with, to pay attention to, and we hope maintain over time a close relationship in the future. The same goes with China, I believe.

Right over here.

QUESTION: Your report urges the individual military services and the Defense Department in general to pay more attention to military use of space for the use of space assets and to protection of space assets.

However, two weeks ago, Secretary Cohen abolished the centralized space management structure that's resident in the Office of Secretary of Defense.

To accomplish the space goal that you propose as a country, do you believe that the way space programs -- military space programs are managed within the Pentagon is sufficient to accomplish that?

MR. ODEEN: Let me ask GEN McCarthy to address that. Jim, do you want to start off?

GEN McCARTHY: The focus of the Panel's efforts were to look at what's happening in the commercialization of space and also the importance of the military access to space over the long term. And it was our judgment that we needed to do more to protect both commercial and military space assets in the future.

In another part of our report, we discuss the focusing of energies in a given area. I'm not personally familiar with the Secretary of Defense's decision, other than what he said in the Defense Reform Initiative to restructure the space organization. But we would place great emphasis on U.S. Space Command as bringing a national focus on the protection of space assets over time.

MR. ODEEN: Dave, do you want to add to that?

ADM JEREMIAH: The only thing that I would offer up is Secretary Cohen obviously was working towards creating efficiencies within the OSD staff. That was an organization that came late to the OSD staff. And when you look at all of the things that were going on, he may have found that his

existing structure with the NRO and other activities was adequate to handle the work that he felt was necessary.

MR. ODEEN: As GEN McCarthy mentioned, as part of our recommended changes in the way the military is organized, we talked about expanding the responsibilities of the Space Command to include information. So it would be a way to integrate not just what we're doing in space, but all of the broader aspects of what we're doing to provide a tremendous advantage to the U.S. military in terms of control over information, build and use information for our purposes. And I think that's a significant recommendation.

Back here in the middle.

QUESTION: I read your report on the Army and the difficulty it has in its reserve components. Could you just comment in addition to what you have in your report on what you think the final solution should look like with respect to its strengths, structure, and mission?

MR. ODEEN: The question has to do with the Army and its reserve components. Let me comment on it and then ask Bob Kimmitt to follow up with that.

Our report makes, I believe, quite clear that we believe the differences between the active Army and the Army National Guard have been very dysfunctional and have not been either good for the Army, broadly for the Army or for the country. And we recommend that they work very hard to resolve those differences.

We make a number of suggested changes in the way that the Guard is used, more closely integrating it with the active Army, its combat units, some new missions, new roles including a much more active role in handling the consequences of a weapons of mass destruction, whether it's a biological-chemical-type attack, within the United States.

We also suggest that the National Guard in particular play a key role in the Southern Command, perhaps being the Army component of the Southern Command.

So we're suggesting a number of different missions, different responsibilities for the Guard. It would almost certainly involve a fair amount of restructuring of the Guard. We say we have more heavy forces than we need in general in the Army and in the Marine Corps, as well, but in

the Army and in the Army Guard and that those should be cut back and those resources used otherwise.

The exact implications for end strength, I don't think we know because we're suggesting some pretty substantial changes in the way the Guard is used. So it's hard for me to comment on that point.

Bob, do you want to add to that?

MR. KIMMIT: Just briefly, Phil, I think to make clear that the force works best when it operates as a total force. I think we can say pretty clearly that we think the Army has laid out a pretty good transformation strategy for itself, but it's not Force 21. It's the Army After Next. And the quicker the Army can move to Army After Next, the better it is for the Army, for the services more broadly.

And the bottom line is all three parts of the Army -- Active, Reserve, and Guard -- have to move very quickly to those Army After Next concepts. That's where we're going to end up. The question is how long it takes for people to realize that that's where we're going to be.

MR. ODEEN: Good. Right here.

QUESTION: (Away from microphone.)

MR. ODEEN: The question has to do, did we consult with the nation's governors during this report, especially regarding the Guard. We did not talk to the governors. We did talk to the -- a variety of different ways with the National Guard organizations, the people in the Pentagon.

I had a -- I made a presentation to the Adjunct General's organization. Chris Jehn, our executive secretary, very recently went down and met with them. We had other one on one meetings. GEN Navas, who is the Army Guard person at the Pentagon. And we had a very active discussion with GEN Navas.

So we had a very -- I think quite a number of interactions with the National Guard and the Adjutants General. And to both express our concerns and issues, but also to hear their side of it. So I believe we really did reach out quite actively and we spent a lot of time on it, on that issue. We think it's important for the Army. It's important for the country.

But the Reserve components, the Guard in particular, have a very important role to play not only as part of the total force but in the -- within the confines of the 50 states, as well. And we think that that's -- it was worth the time.

Right back here and then way back in back.

QUESTION: On page 49, you talk about the near term implications of your report for major procurement programs. And you question the logic -- you disagree with decisions. You use words like that, but you don't say "terminate." Should we release, terminate these systems that we don't -- that you don't see the logic of?

MR. ODEEN: The question had to do with page 49 where we talk about -- we raise questions about a number of major weapon systems and we raise questions about the logic and so on. We don't say "terminate." And Tony's question is, should we read that to say terminate. No. You should read that the way it's written.

We did not feel it was our -- we hadn't the facts to make those kinds of specific recommendations. But as I

indicated earlier, we -- we tried to look out to 2020. We spent our time focusing on that.

Near the end of the process, we said, okay, we now think we know what the forces need to look like 20 years in the future. Now, as we sit there and look out that far and look back at today's budgets and today's weapons, what are some of the issues that jump out at us?

And as we did that, we said, gee, we don't understand the logic of a number of these systems, whether they're ground-based systems, sea-based systems or air types, aviation systems. And so that's really what we're saying. We don't understand the logic. You, the Congress, the Secretary of Defense, the Pentagon, really need to get into these issues. We're not in a position to take that -- take a strong specific answer.

Let me let Andy add to that.

DR. KREPINEVICH: Getting back to Phil's earlier point about a key recommendation that we make with respect to joint experimentation. If you look, for example, at the power projection challenge and you're concerned you might not

have access to forward bases, ports, airfields, facilities, because they're at risk once the proliferation of missiles continues. And so that you're in danger of being attacked by large numbers of missiles, losing your forward access to bases.

Well, the whole notion of joint experimentation would be to allow the services to identify how would you operate in that environment. That would be the -- one of the principal roles of the Joint Forces Commander.

How would you get those heavy divisions in? How would you deploy those short-range aircraft? How would you sail through those restricted straits?

And so without knowing the answer and without taking away from the enormous amount of value that experimentation and professional military judgment can be brought to bear on this, it seemed imprudent to us to say, cancel this, buy that.

What it did seem very prudent to say was, experiment. Find out how you are going to operate in this environment. And the questioning was at first blush you

could question some of these sorts of capabilities that may seem logical in these kinds of environments. But that's the whole purpose of the transformation and the experimentation.

MR. ODEEN: One of the -- the issue of strategic forces have not come up here, which is sort of interesting. Ten years ago, that would have been the number one question.

But we did talk in there about START II and START III forces. And maybe I'll ask Janne Nolan, Dr. Nolan, to speak on that issue because we do have some recommendations there, as well, that pertain to the question Tony just asked.

Janne.

DR. NOLAN: Just quickly, it's in the report. What we state is that it's important to move to START III levels as soon as possible. Again, we're looking out to the future.

The Panel recommends that we continue to look at balanced and stabilizing reductions and to recognize that we can manage any conceivable deterrent problems with a fraction of our force.

We also emphasize that increasingly the problem of strategic and other nuclear forces has shifted from a

preoccupation with the threat of central attack to the need to control, secure and bring under some international management the legacies of the cold war, the huge numbers of surplus weapons, including non-strategic nuclear weapons, especially in Russia.

We are concerned with coupling defensive systems with arms control agreements. And finally with maintaining a strategic stockpile -- a stewardship program, rather, in support of the comprehensive test ban. I think that's -- and the emphasis on the cooperative threat reduction as part of the security safety agenda. That's page 50-51 of the report.

MR. ODEEN: Right here in the middle, this gentleman right here.

QUESTION: (Away from microphone.)

MR. ODEEN: I had trouble hearing your question. Your question was about the overseas deployment force, the 100,000 in Europe, 100,000 in Asia. I believe the -- we don't speak of that very specifically, but I believe the Panel feels that these forward deployments are very important. They not only provide significant military

capability, obviously, for our forces should we need them, but also they provide a real clear commitment of U.S. support for allies in those areas. And they're a stabilizing influence.

So I believe that we're very supportive of those. But let me ask Ambassador Armitage to comment on that.

MR. ARMITAGE: The reason we didn't further define that in our report is because in a May 15th letter which we were required to send to the Hill along with the QDR, we specifically endorsed the maintenance of about 100,000 troops in both Europe and Asia.

MR. ODEEN: Right here.

QUESTION: I have a two-part question. The report talks about the need to revitalize HUMINT intelligence capabilities. And I wonder if you feel that the intelligence community, the CIA, has gone too far in terms of its agent scrub; that is, taking into consideration the checkered past of some of the people they had to do business with and deciding that it no longer felt that doing business with people with such shady pasts was worth it in terms of the

pay-off to U.S. national security. That's one part of the question.

I also want to ask you to talk a little bit about the threat of biological warfare in the United States.

MR. ODEEN: Dave, do you want to -- ADM Jeremiah, do you want to respond to that HUMINT question?

ADM JEREMIAH: I'll take the first part of that one. I don't think we -- our comments on HUMINT had any direct application to the issue as you stated it with respect to the CIA. It had more to do with the changing nature of the world.

When you no longer are concentrating, as we were for 50 years, on the Soviet Union and trying to collect intelligence against them, much of which was done by technical means, and are now faced with disparate threats around the world that, for either policy or basic national security reasons, have to be dealt with, you have to have that intelligence.

In most cases, that intelligence is derived from HUMINT sources, not necessarily covert. And they can be open

sources, classified, open information that's in a variety of documents, publications, and things of that nature. But the point is it's a much more difficult problem as we look into the future to deal with collection of intelligence than it has been in the past. I'm fond of saying that when using a satellite system, you can't tell what's going on with that crowd on the ground. They can be going to a soccer match or it can be an incipient revolution and you can't tell the difference between them.

You have to have somebody on the ground and understanding what's going on in the countries around the world in order to make a judgment of where we're headed.

MR. ODEEN: We also comment in the report that we include within this broader -- efforts to broaden the experience of military officers in learning about regions, understanding local cultures and language and so on, as well, so that our military is more sensitive to effectively operating, whether it's in combat, humanitarian or peacekeeping or shaping activities. So that's an aspect of HUMINT in the sense it's not intelligence activity. It's

simply cultural awareness and experience and knowledge. We think that will be increasingly important for the military.

On the biological, let me just comment briefly. Secretary Cohen put out quite a long report last week on that. And I'm not sure I can add a lot to it, other than it's obviously a threat that is -- will likely increase the future. It's easy and cheap to produce these kind of weapons. They can have quite devastating effects. They could affect the homeland here in the United States, as well as our forces deployed overseas or allies.

So we believe this is an area that's going to require a lot more attention. The Pentagon is putting more attention to it I should add. It's not as if they're ignoring this. Secretary Cohen's point was quite very pointedly going after both chemical and biological type weapons. And they're investing a lot of money in that area, as well.

Back here in the middle we have a question.

QUESTION: How would you suggest -- and you probably don't suggest specific bases. But how would you

suggest approaching the base closure process; for example, the big bases, the huge bases like the Norfolk Navy base, these dinosaurs of the past?

MR. ODEEN: Sure. The question is, how do you approach the base closure process? Well, first of all, despite some criticism of it, I believe the base -- what do they call it, BRAC, Base Realignment and Closure Act, has in fact had quite a positive effect. The savings are now beginning to accrue to that.

And the advantage of that approach is it's a package of proposed actions that are largely both the President and the Congress have to accept all of them or reject the whole thing. So, it makes it -- in a sense, it provides protective cover for the executive branch as well as the Congress to agree to these things which would be very difficult to do on a one by one basis.

We also suggest in our report that we might give some thought to a broader -- say, an infrastructure plan or a base plan, a long-range plan. Let's step back and look at our force requirements and proposed forces for the next 10,

15 years, and decide what kind of a base structure we'll need in the future. Let's decide that first. And then with that in mind, go back and say, okay, now which facilities and which bases can be -- would be excess?

And also if we took a long review, it might be easier to help the local communities adjust to the impact. There are a lot of very, very positive stories out there of successes where a base has been closed. It's been turned over to commercial activities and more jobs and better jobs have been created.

So it's not a -- necessarily it's not a win-lose kind of situation. It can be a win-win. If you have the ability to plan somewhat longer term, it might be easier to put together programs of economic development, tax incentives and things like that. But we do endorse that basic approach.

Right behind you. Go ahead. I'm sorry.

QUESTION: As a follow-up, what about those huge bases?

MR. ODEEN: Well, you know, it's hard to answer that, per se. It depends a little bit on this longer-term

view. I mean, the advantage of the large complexes like a Norfolk or those is you have -- you have a lot of activities in one place. There are a lot of efficiencies in terms of support activities. You have housing. People can come back to those areas and they can have their own home. So there is some advantage in having larger complexes.

But I think it's going to be a function of looking at what the forces are going to be like 20 years out. And if they change dramatically, you might have to have a very different force -- base structure.

Right behind you, there was a question, as well.

QUESTION: Yes. How can you justify continuing cold war spending when the cold war threat doesn't exist?

MR. ODEEN: The question is, how can you justify cold war spending when the cold war threat doesn't exist? Well, first of all, if you look at the last 10 years, you'll see the defense budget is down by about a third in real terms. So there have been very significant reductions in the defense spending over time. Forces are down by about a third.

And many of the reductions were in forces that were very much tied to the cold war. For example, we had far more forces deployed in Europe. Those forces have largely been phased out of the force.

We found in Desert Storm, at least, that some of the same forces and capabilities were useful in that particular specific contingency.

But I think that's the thrust of our proposal, really, is that we need to reduce the spending in those - for the more traditional or the legacy kind of systems to free up dollars to invest in new technology and new approaches, experimentation, research and development, so that 20 years from now our forces will be very different from those of today and prepared to handle whatever threat emerges.

The reason we push for experimentation and testing is that nobody knows what the threats are going to be in 20 years or even what kind of specific challenges or technology will be out there. So we have to move forward in a -- in a process that lets us try things and as threats develop, as technology becomes practical to use, we can then make

decisions and transform our force to be responsive to the needs at that point in time.

Way back over in the left side over here and then the two over there.

QUESTION: (Away from microphone.)

MR. ODEEN: The question is, we propose a \$5 billion to \$10 billion wedge for spending to support the -- this transformation. And he said, what's the basis for that?

We spent a fair amount of time looking at the cost of various kinds of investments we might make, whether it was additional investment in space, whether it's joint training facilities, testing, wider use of testing, experiments, ACTDs. We looked at the investment in some of the new kinds of technology we talked about.

And we costed those things out in kind of -- in a rough form to get a feel for the cost.

We don't have a specific set of recommendations of exactly what we ought to do, but in looking at these costs, it appeared to us by various combinations that we're talking

about multi-billion dollars investments here. So we use 5 to 10 as a range.

This is not a \$500 million or a billion dollar problem. This is a \$5 billion, \$10 billion kind of issue. So we felt that that range gave you a sense -- gave the reader a sense of the scope of investment required to make the transformation happen that we're proposing.

And right next to you there was another one. Right behind you there.

QUESTION: (Away from microphone.)

MR. ODEEN: Let me ask GEN McCarthy to answer that.

GEN McCARTHY: When the U.S. ACommand was constructed about five, seven years ago, part of the idea was the development of a joint approach enhanced as part of the UCP arrangement, unified command plan arrangement.

It was the judgment that having a geographic responsibility perhaps interfered with the relationship of the -- all of the other CINCs who needed the forces provided by a command in a joint way.

And so the NDP concluded that a Joint Forces Command that had no geographic or regional responsibility could better focus on the experimentation, the development of a better systems of jointness than presently exists.

And so the concept is that all of the forces in the United States that are not assigned to some specific operational mission would be assigned to a single unified commander, whose responsibility it would be to develop those forces, to experiment with those forces, and then provide them to the geographic commanders-in-chief to carry out their responsibilities.

And in doing so, divested that unified commander from any regional responsibilities. So it is a new command, but focused on joint experimentation and joint operations.

QUESTION: (Away from microphone.)

GEN McCARTHY: The forces needed by the Americas command would be provided by the Joint Forces Command. When they are not assigned for an operational responsibility, they would reside within the Joint Forces Command.

So we think that focus is the mission of that commander. And then the Americas command has the Western Hemisphere, if you will, divided into homeland defense, which is the protection of the United States and its neighboring allies, and the Southern Command. And that focus will enhance the operational control and effectiveness of that particular mission.

MR. ODEEN: In a sense, the America's command is treated just like CENTCOM would be or EUCOM or PACOM. I mean, they are receivers of forces from the Joint Forces Command when required.

Other questions here? It looks like we're just about run down here. We have a gentleman right -- the lady right back here and the gentleman in front of her.

QUESTION: (Away from microphone.)

MR. ODEEN: The question had to do with the BRAC process, whether we looked at specific bases. We did not look at specific bases at all, no. We are convinced that we have far too many bases and need at least two rounds of BRAC, perhaps more.

We also pointed out if you looked at the base requirement on a joint way rather than service by service way, you might be able to free up additional bases.

The gentleman right in front of you there.

QUESTION: (Away from microphone.)

MR. ODEEN: Let me comment and ask Ambassador Kimmitt to comment. Yes, we very much did. We obviously - that - the question has to do with civil disturbances and problems in the less developed part of the world. That has certainly been a factor in requirements for military. It's been a very involved -- involvement of U.S. forces over the last several years. And we believe that will continue to happen in the future. And we believe more attention ought to go to that.

Bob, do you want to talk a bit about that?

MR. KIMMITT: I think in the early part of the report as we try to look at what the world would look like in the future, one of the things we took a look at was trends, demographic and otherwise. You'll note, for example, a significant move of populations toward cities, large cities

and what the future will be, mega-cities. And that's why elsewhere in the report there's a good degree of discussion about the forces made to better prepare themselves for urban operations.

But we also looked at economic dislocations, the growing gap between the rich and the poor, particularly in some of the poorest of the poor countries in the third world.

We took a look at AIDS infestation rates in various parts of the world. Those, too, are alarming.

So, in fact, those factors that we looked at and that you bring up play right into the chapter that deals with regional security and regional stabilities. Our point is that the military has a role to play, but so do friends and allies, non-governmental organizations and importantly other parts of the national security community.

MR. ODEEN: I think we've handled most of the questions. Why don't we take a break at this time. Again, thank you very much for being here. And as we indicated, if you want to speak to individual members of the panel

afterwards, we'd be happy to do that. Thank you again for being here.

(The briefing was concluded at 10:36 a.m.)

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