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Secretary Rumsfeld Speaks on "21st Century Transformation" of U.S. Armed Forces (transcript of remarks and question and answer period)

Remarks as Delivered by Secretary of Defense Donald Rumsfeld, National Defense University, Fort McNair, Washington, D.C., Thursday, January 31, 2002

SECRETARY RUMSFELD: Be seated.

Admiral [Paul] Gaffney [President of National Defense University], thank you for your hospitality.

General Tom Franks, you're doing a first-rate job for our country as combatant commander in the Central Command, and it's a privilege for me to work with you.

Admiral [Arthur] Cebrowski, thank you for being here and for the important work you're doing in the Office of Force Transformation to help prepare our armed forces for the threats and the challenges of this new century.

Lieutenant Colonel [Camille] Nichols, thank you for the introduction. I'm told you've just been elevated to full colonel. [Applause.] And certainly you and your classmates are the ones who will be leading the change in the years ahead, and we're proud of you, and we're proud of your service.

And I see in the front row some friends. Congressman [Ike] Skelton, welcome. We're very glad you're here. I'm told you've received an honorary degree from this institution. And Congressman [Jim] Moran and Congressman [Ellen] Tauscher, it's nice to see you.

So to the students and the faculty of our War College community, distinguished guests, and men and women of the armed forces, just before Christmas I traveled to Afghanistan and the neighboring countries, where I had an opportunity to spend time with our troops in the field. They are remarkable. They're brave, they're dedicated, they voluntarily risk their lives in a dangerous corner of the world to defend our freedom and our way of life, and I was grateful to be able to personally tell them that.

Among the many, I met with an extraordinary group of men, the Special Forces who'd been involved in the attack on Mazar-e Sharif. Now I've said on a number of occasions that the war on terrorism would likely be unlike any war we had fought before. These men surprised us all with their early requests for supplies. They asked for boots, ammunition...and horse feed.

From the moment they landed in Afghanistan, they began adapting to the circumstances on the ground. They sported beards and traditional scarves. They rode horses -- horses that had been trained to run into machine-gun fire, atop saddles that had been fashioned from wood and saddle bags that had been crafted from Afghan carpets. They used pack mules to transport equipment along some of the roughest terrain in the world, riding at night, in darkness, often near mine fields and along narrow mountain trails with drops so sheer that, as one soldier put it, it took him a week to ease the death-grip on his saddle. Many had never been on horseback before.

As they linked up and trained with anti-Taliban forces, they learned from their new allies about the realities of war on Afghan soil, and they assisted the Afghans with weapons, with supplies, with food, with tactics and training. And they helped plan the attack on Mazar.

On the appointed day, one of their teams slipped in and hid well behind the lines, ready to call in airstrikes, and the bomb blasts would be the signal for others to charge. When the moment came, they signaled their targets to the coalition aircraft and looked at their watches. Two minutes and 15 seconds, 10 seconds -- and then, out of nowhere, precision-guided bombs began to land on Taliban and al-Qaeda positions. The explosions were deafening, and the timing so precise that, as the

soldiers described it, hundreds of Afghan horsemen literally came riding out of the smoke, coming down on the enemy in clouds of dust and flying shrapnel. A few carried RPGs. Some had as little as 10 rounds for their weapons. And they rode boldly -- Americans, Afghans, towards the Taliban and al Qaeda fighters. It was the first cavalry attack of the 21st century.

After the battle one soldier described how he was called over by one of the Afghans who'd been with him, started to pull up his pant leg, and he thought he was going to see a wound. Instead, he looked down and saw a prosthetic limb. The Afghan had ridden into battle with only one good leg.

Now, what won the battle for Mazar and set in motion the Taliban's fall from power was a combination of ingenuity of the Special Forces, the most advanced precision-guided munitions in the U.S. arsenal delivered by U.S. Navy, Air Force and Marine crews, and the courage of the Afghan fighters, some with one leg. That day on the plains of Afghanistan, the 19th century met the 21st century, and they defeated a dangerous and determined adversary, a remarkable achievement.

When President Bush called me back to the Pentagon after a quarter of a century, he asked me to come up with a new defense strategy to work with the Department of Defense and the senior military to fashion a new approach. He knew I was an old-timer, but I'll bet he never imagined for a second that we'd bring back the cavalry. [Laughter.]

But really, this is precisely what transformation is about. Here we are in the year 2002, fighting the first war of the 21st century, and the horse cavalry was back and being used, but being used in previously unimaginable ways. It showed that a revolution in military affairs is about more than building new high tech weapons, though that is certainly part of it. It's also about new ways of thinking, and new ways of fighting.

In World War II, the German blitzkrieg revolutionized warfare. But it was accomplished by a German military that was really only about 10 or 15 percent transformed. The Germans saw that the future of war lay not with massive armies and protracted trench warfare, but rather with its small, high quality, mobile shock forces supported by air power and coordinated with air power, capable of pulling off lightning strikes against the enemy. They developed the lethal combination of fast-moving tanks, mobilized infantry and artillery supported by dive bombers, all concentrated on one part of the enemy line. The effect was devastating on their adversary's capabilities, on their morale, and it was, for a period, on the cause of freedom in the world.

What was revolutionary and unprecedented about the blitzkrieg was not the new capabilities the Germans employed, but rather the unprecedented and revolutionary way that they mixed new and existing capabilities.

In a similar way, the battle for Mazar was a transformational battle. Coalition forces took existing military capabilities from the most advanced laser-guided weapons to antique, 40-year-old B-52s -- actually, 40 years old doesn't sound antique to me -- [laughter] -- but the B-52s had been updated with modern electronics -- and also to the most rudimentary, a man on horseback. And they used them together in unprecedented ways, with devastating effect on enemy positions, on enemy morale, and this time, on the cause of evil in the world.

Preparing for the future will require us to think differently and develop the kinds of forces and capabilities that can adapt quickly to new challenges and to unexpected circumstances. An ability to adapt will be critical in a world where surprise and uncertainty are the defining characteristics of our new security environment. During the Cold War, we faced a fairly predictable set of threats. We came to know a great deal about our adversary, because it was the same one for a long period. We knew many of the capabilities they possessed, and we fashioned strategies and capabilities that we believed we needed to deter them. And they were successful. It worked.

For almost a half a century, that mix of strategy, forces and capabilities allowed us to keep the peace and to defend freedom. But the Cold War is over. The Soviet Union is gone, and with it, the familiar security environment to which our nation had grown accustomed.

As we painfully learned on September 11th, the challenges of a new century are not nearly as predictable as they were during the Cold War. Who would have imagined only a few months ago that terrorists would take commercial airliners, turn them into missiles and use them to strike the Pentagon and the World Trade Towers, killing thousands? But it happened.

And let there be no doubt, in the years ahead, it is likely that we will be surprised again by new adversaries who may also strike in unexpected ways.

And as they gain access to weapons of increasing power -- and let there be no doubt but that they are -- these attacks will grow vastly more deadly than those we suffered several months ago.

Our challenge in this new century is a difficult one. It's really to prepare to defend our nation against the unknown, the

uncertain and what we have to understand will be the unexpected. That may seem on the face of it an impossible task, but it is not. But to accomplish it, we have to put aside the comfortable ways of thinking and planning, take risks and try new things so that we can prepare our forces to deter and defeat adversaries that have not yet emerged to challenges.

Well before September 11th, the senior civilian and military leaders of the Department of Defense were in the process of doing just that. With the Quadrennial Defense Review, we took a long, hard look at the emerging security environment and we came to the conclusion that a new defense strategy was appropriate. We decided to move away from the "two major theater war" construct for sizing our forces, an approach that called for maintaining two massive occupation forces capable of marching on and occupying capitals of two aggressors at the same time and changing their regimes. This approach served us well in the immediate post-Cold War period, but it really threatened to leave us reasonably prepared for two specific conflicts and under-prepared for the unexpected contingencies of the 21st century.

To ensure we have the resources to prepare for the future, and to address the emerging challenges to homeland security, we needed a more realistic and balanced assessment of our near-term warfighting needs. Instead of maintaining two occupation forces, we will place greater emphasis on deterrence in four critical theaters, backed by the ability to swiftly defeat two aggressors at the same time, while preserving the option for one massive counter-offensive to occupy an aggressor's capital and replace the regime. Since neither aggressor would know which the president would choose for a regime change, the deterrent is undiminished. But by removing the requirement to maintain a second occupation force, as we did under the old strategy, we can free up resources for the future and the various lesser contingencies which we face, have faced, are facing and will most certainly face in the period ahead.

To prepare for the future, we also decided to move away from the so-called threat-based strategy that had dominated our country's defense planning for nearly a half-century and adopt what we characterized as a capability-based strategy, one that focuses less on who might threaten us or where we might be threatened, and more on how we might be threatened and what we need to do to deter and defend against such threats. Instead of building our armed forces around plans to fight this or that country, we need to examine our vulnerabilities, asking ourselves, as Frederick the Great did in his great General Principles of War, what design would I be forming if I were the enemy, and then fashioning our forces as necessary to deter and defeat those threats.

For example, we know that because the U.S. has unparalleled land, sea and air power, it makes little sense for potential adversaries to try to build up forces to compete with those strengths. They learned from the Gulf War that challenging our armed forces head-on is foolhardy. So rather than building competing armies, navies and air forces, they will likely seek to challenge us asymmetrically, by looking at our vulnerabilities and building capabilities with which they can, or at least hope, to exploit them.

They know, for example, that an open society is vulnerable to new forms of terrorism. They suspect that U.S. space assets and information networks, critical to our security and our economy, are somewhat vulnerable. And they are. They see that our ability to project force into the distant corners of the world where they live depends in some cases on vulnerable foreign bases. And they know we have no defense against ballistic missiles on our cities, our people, our forces, or our friends, creating incentives for the development of weapons of mass destruction and the means to deliver them.

Our job is to close off as many of those avenues of potential attack as is possible. We need to prepare for new forms of terrorism, to be sure, but also attacks on U.S. space assets, cyber attacks on our information networks, cruise missiles, ballistic missiles, nuclear, chemical and biological weapons. At the same time, we must work to build up our own areas of advantage, such as our ability to project military power over long distances, precision strike weapons, and our space, intelligence and undersea warfare capabilities.

Before the terrorist attacks on New York and Washington we had decided that to keep the peace and defend freedom in the 21st century our defense strategy and force structure must be focused on achieving six transformational goals:

First, to protect the U.S. homeland and our bases overseas.

Second, to project and sustain power in distant theaters.

Third, to deny our enemies sanctuary, making sure they know that no corner of the world is remote enough, no mountain high enough, no cave or bunker deep enough, no SUV fast enough to protect them from our reach.

Fourth, to protect our information networks from attack.

Fifth, to use information technology to link up different kinds of U.S. forces so that they can in fact fight jointly.

And sixth, to maintain unhindered access to space and protect our space capabilities from enemy attack.

Our experience on September 11th, and indeed in the Afghan campaign, have served to reinforce the importance of moving the U.S. defense posture in these directions. Our challenge in the 21st century is to defend our cities and our infrastructure from new forms of attack while projecting force over long distances to fight new and perhaps distant adversaries.

To do this, we need rapidly deployable, fully integrated joint forces capable of reaching distant theaters quickly and working with our air and sea forces to strike adversaries swiftly, successfully, and with devastating effect. We need improved intelligence, long-range precision strikes, sea-based platforms to help counter the access denial capabilities of adversaries.

Our goal is not simply to fight and win wars, it is to try to prevent wars. To do so, we need to find ways to influence the decision-makers of potential adversaries, to deter them not only from using existing weapons, but to the extent possible, try to dissuade them from building dangerous new capabilities in the first place.

Just as the existence of the U.S. Navy dissuades others from investing in competing navies -- because it would truly cost a fortune and would not succeed in providing a margin of military advantage -- we must develop new capabilities that merely by our possessing them will dissuade adversaries from trying to compete.

For example, deployment of effective missile defenses may dissuade others from spending to obtain ballistic missiles when they cannot provide them what they want, which is really the power to hold the United States and our allies' cities hostage to, in effect, nuclear blackmail.

Hardening U.S. space systems and building capabilities to defend our space assets could dissuade adversaries from developing and using small killer satellites to attack and cripple U.S. satellite networks. New earth-penetrating and thermobaric weapons could make obsolete the deep underground facilities where today terrorists hide and terrorist states conceal their weapons of mass destruction capabilities.

In addition to new capabilities, transformation also requires rebalancing existing forces and existing capabilities by adding more of what the Pentagon has come to call low-density, high-demand assets, which is really a euphemism, in plain English, for "our priorities were wrong, and we didn't buy enough of what we need." [Laughter.]

For example, the experience in Afghanistan showed the effectiveness of unmanned aircraft. But it also revealed how few we have and what their weaknesses are. The department has known for some time that it does not have enough manned reconnaissance and surveillance aircraft, command-and-control aircraft, air-defense capabilities, chemical and biological defense units, as well as certain types of special operations forces.

But in spite of the shortages of these and other scarce systems, the United States postponed the needed investment while continuing to fund what were, in retrospect, less valuable programs. That needs to change.

Moreover, as we change investment priorities, we have to begin shifting the balance in our arsenal between manned and unmanned capabilities between short- and long-range systems, stealthy and non-stealthy systems, between shooters and sensors, and between vulnerable and hardened systems. And we need to make the leap into the information age, which is the critical foundation of our transformation efforts.

As we deployed forces and capabilities to defend U.S. territory after September 11th, we found that our new responsibilities in homeland defense have exacerbated these shortages. No U.S. president should be placed in the position where he must choose between protecting our citizens at home and protecting our interests and our forces overseas. We, as a country, must be able to do both.

The notion that we could transform while cutting the defense budget over the past decade was seductive, but false.

Of course, while transformation requires building new capabilities and expanding our arsenal, it also means reducing stocks of weapons that are no longer necessary for the defense of our country. Just as we no longer need a massive, heavy force designed to repel a Soviet tank invasion, we also no longer need many thousands of offensive nuclear warheads we amassed during the Cold war to deter a Soviet nuclear attack.

During the Cold War, U.S. security demanded our having a nuclear force large enough and diverse enough to survive and to retaliate after a Soviet first strike. Today our adversaries have changed. The terrorists who struck us on September 11th were clearly not deterred by doing so from the massive U.S. nuclear arsenal. In the 21st century, we need to find new ways to deter new adversaries that will most assuredly arise. That's why President Bush is taking a new approach to strategic deterrence, one that will combine deep reductions in offensive nuclear forces with improved conventional capabilities and the

development and deployment of missile defenses capable of protecting the U.S. and our friends and forces deployed from limited missile attacks.

At the same time as we reduce the number of weapons in our nuclear arsenal, we must also refashion the arsenal, developing new conventional offensive and defensive systems more appropriate for deterring the potential adversaries that we now face. And we must ensure the safety and reliability of our nuclear arsenal. No country that has nuclear weapons, as we do, can do anything other than be very respectful of the power, the lethality of those weapons and see that they are safe and reliable, and kept that way.

Taken together, this new triad of reduced offensive nuclear forces, advanced conventional capabilities and a range of new defenses are all part of a new approach to deterrence and to defense, but we cannot get here from there without a new approach to balancing the various risks that our country faced.

In the past, the threat-based approach focused attention on near-term war risks, and it had the effect of crowding out investments in the critical areas of people, modernization and transformation. If we are to have a 21st century military, we must balance all of those risks as we allocate defense dollars. It's not an easy thing to do. We're quite good at balancing one war risk against another war risk. But comparing a war risk against the benefit of transformation five years down the road, or balancing it against modernization, or balancing it against the importance of people and the critical element that people are in our defense structure is a much more difficult task. We have to see that we do not cheat the future or the people who risk their lives to secure that future for us. We believe the new approach that we've fashioned will help to do just that.

And we must transform not only our armed forces, but also the Department that serves them by encouraging a culture of creativity and intelligent risk taking. We must promote a more entrepreneurial approach to developing military capabilities, one that encourages people, all people, to be proactive and not reactive, to behave somewhat less like bureaucrats and more like venture capitalists; one that does not wait for threats to emerge and be "validated," but rather anticipates them before they emerge and develops new capabilities that can dissuade and deter those nascent threats.

We need to change not only the capabilities at our disposal, but also how we think about war. All the high-tech weapons in the world will not transform U.S. armed forces unless we also transform the way we think, the way we train, the way we exercise and the way we fight.

Some believe that, with the U.S. in the midst of a dangerous war on terrorism, now is not the time to transform our armed forces. I believe that quite the opposite is true. Now is precisely the time to make changes. The impetus and the urgency added by the events of September 11th powerfully make the case for action.

Every day, we are faced with urgent near-term requirements that create pressure to push the future off the table. But September 11th taught us that the future holds many unknown dangers and that we fail to prepare for them at our peril.

Our challenge is to make certain that, as time passes and the shock of what befell us that day wears off, we do not simply go back to doing things the way we did them before. The war on terrorism is a transformational event that cries out for us to rethink our activities, each of us to rethink our activities, and put that new thinking into action.

Almost every day in meetings, I am confronted by people who come to me with approaches and recommendations and suggestions and requests that reflect a mindset that is exactly the same as before September 11th. They understand that September 11th occurred, but the power of this institution to continue what is is so great that we all need to be reminded and indeed jarred to realize the urgency that exists.

I will say this: The Department of Defense, in my judgment, is up to the task. If you just look at what has been accomplished in the last year -- in one year -- the year 2001, we adopted a new defense strategy; we replaced the decade-old Two Major Regional War construct for troop sizing with a new approach that is considerably more appropriate to our new world; we adopted a new approach to balancing risks, the near-term war risks, the people risks; the transformation risks and the modernization risks, and we reorganized and revitalized our missile defense research and testing program, free of the constraints of the ABM Treaty; we reorganized the Department to better focus on space capabilities. Through the Nuclear Posture Review, we adopted a new approach to strategic deterrence that increases our security while reducing the numbers of strategic nuclear weapons. And within a week or so, we will be briefing the president on a new Unified Command Structure. And all this was accomplished while fighting a war on terrorism. Not a bad start for a department that has a reputation and is also criticized for being incapable of changing and resistant to change.

Of course, as we transform, we must not make the mistake of assuming that our experience in Afghanistan presents us with a model for the next military campaign.

Preparing to re-fight the last war is a mistake repeated throughout much of military history, and one we must avoid, and will.

But we can glean important lessons from recent experiences that apply to the future. Here are a few worth considering:

First, wars in the 21st century will increasingly require all elements of national power: economic, diplomatic, financial, legal, law enforcement, intelligence, as well as overt and covert military operations. Clausewitz said "war is the continuation of politics by other means." In this new century, many of those means may not be military.

Second, the ability of forces to communicate and operate seamlessly on the battlefield will be critical to our success. In Afghanistan, we saw composite teams of U.S. special forces on the ground, working with Navy, Air Force and Marine pilots in the sky, to identify targets, communicate targeting information and coordinate the timing of strikes with devastating consequences for the enemy. The change between what we were able to do before U.S. forces, special forces, were on the ground and after they were on the ground was absolutely dramatic.

The lesson of this war is that effectiveness in combat will depend heavily on "jointness," how well the different branches of our military can communicate and coordinate their efforts on the battlefield. And achieving jointness in wartime requires building that jointness in peacetime. We need to train like we fight and fight like we train, and too often, we don't.

Third, our policy in this war of accepting help from any country on a basis that is comfortable for them and allowing them to characterize what it is they doing to help us instead of our characterizing it for them or our saying that we won't have a country participate unless they could participate in every single respect of this effort, is enabling us to maximize both their cooperation and our effectiveness against the enemy.

Fourth, wars can benefit from coalitions of the willing, to be sure. But they should not be fought by committee. The mission must determine the coalition, and the coalition must not determine the mission. If it does, the mission will be dumbed down to the lowest common denominator, and we can't afford that.

Fifth, defending the U.S. requires prevention, self-defense and sometimes preemption. It is not possible to defend against every conceivable kind of attack in every conceivable location at every minute of the day or night. Defending against terrorism and other emerging 21st century threats may well require that we take the war to the enemy. The best, and in some cases, the only defense, is a good offense.

Sixth, rule out nothing, including ground forces. The enemy must understand that we will use every means at our disposal to defeat them, and that we are prepared to make whatever sacrifices are necessary to achieve victory. To the extent the United States is seen as leaning back, we weaken the deterrent, we encourage people to engage in acts to our detriment. We need to be leaning forward as a country.

Seventh, getting U.S. special forces on the ground early dramatically increased the effectiveness of the air campaign. In Afghanistan, precision-guided bombs from the sky did not achieve their effectiveness until we had boots, and eyes, on the ground to tell the bombers exactly where to aim.

And finally, we need to be straight with the American people. We need to tell them the truth. And when you can't tell them something, we need to tell them that we can't tell them something. The American people understand what we're trying to accomplish, what is needed to get the job done, that it's not easy and that there will be casualties. And they must know that, good news or bad, we will tell it to them straight. Broad bipartisan public support must be rooted in a bond of trust, of understanding and of common purpose.

There is a great deal we can learn from this first war of the 21st century. But we cannot, and must not, make the mistake of assuming that terrorism is the only threat. The next threat we face may indeed be from terrorists, but it could also be a cyber-war, a traditional, state-on-state conflict or something entirely different.

And that's why, even as we prosecute this war on terrorism, we must be preparing for the next war. We need to transform our forces for new and unexpected challenges. We must be prepared for surprise. We must learn to live with little or no warning.

And as we do so, much will change about our armed forces -- about the way they will think and fight in this new century.

But there are some things that will remain ever the same through the course of this century and beyond.

In 1962, during a similar time of upheaval and transformation, as our forces prepared to meet the new challenges of the Cold War, General MacArthur addressed the cadets at West Point, and he said, "Through all this welter of change, your mission remains fixed, determined, inviolable: It is to win wars."

The mission of the armed forces remains equally fixed today, equally determined and inviolable. But we must recognize, that earlier generation did, that we will accomplish it only if we have the wisdom, and the courage and the will to change.

Our men and women in uniform are doing a brilliant job in the war on terrorism. We're grateful to them. We're proud. And the best way that we can show our appreciation is to make sure that they have the resources, the capabilities and the innovative culture they need not only to win today's war, but to deter and, if necessary, defeat the aggressors we will surely face in the dangerous century ahead.

We are truly fortunate to have each of you -- dedicated, determined and devoted -- in the service of our great nation. We look across the globe at the young men and women and what they're doing, and no one can go visit them and not come away with just enormous pride and confidence in the armed services of the United States.

Thank you very much. [Applause.] Thank you very much.

Now, I've got a treat for you. We're going to answer some questions, or at least respond to questions. [Laughter.] This is an awful smart group, I know. And so I'll answer the ones I know the answers to, and I'll respond to those that I don't. [Laughter.]

But what I'm going to do is I'm going to ask Tom Franks to come up here and let you heave some questions at him, because he's the expert. General Franks, do you want to join me up here? [Applause.]

Now, I know you're all shy, and you're afraid to be the first one to ask a question. So I'm going to ask the first question.

General Tom Franks -- [laughter] -- this country was attacked on September 11th. You began the attack on Afghanistan on October 7th. Kabul was captured by the anti-Taliban forces on November 13th. What is the world took you so long to get out -- to get out of the quagmire? You have -- [Laughter; applause.]

GEN. FRANKS: [Laughs.] Oh, great students, something to be gained by having just heard the question. I rode over here with the secretary for this session, and en route, he was thinking about the day Kabul fell. Not one time, not one word did the secretary facilitate my transformation from ignorant -- [laughter] -- to knowing that he was going -- that he was going to do that.

The fact of the matter is that young men and women, using a combination of characteristics, factors, thoughts, approaches the secretary described takes a little time; took a little time. We are so blessed by the people of other government agencies as well as those of us in Defense who put together an effort not in a hurry, not driven by this town, but thoughtfully engaged by this town, challenged by the strategic leadership; given time to think through the process, to take the risks that were necessarily to be taken, with a result that I think speaks for itself.

I'm very proud of my association with the people who have done this work. I hope all of you are proud as well. And for the confines of this audience, I would even make an unannounced and certainly unsolicited comment to our secretary. There are many who will characterize him as a very good secretary of defense.

SEC. RUMSFELD: Old is the word I mostly hear.

GEN. FRANKS: No, sir. [Laughter.] That -- I say very good, you say old.

I do not say, you say that -- [laughter] -- many will characterize Secretary Rumsfeld as a very good secretary of Defense. I'll stand here as a combatant commander and tell you I certainly agree with that. But I can also tell you he is a hell of a secretary of war.

SEC. RUMSFELD: [Chuckles.] Thank you. [Applause.] Thank you. Thank you. No, no, stay here! Tom, stay here.

Now who's got a tough question for General Franks? He's a tough guy. Right here.

Q Thank you. While I'm not going to try and come up with a tough question for the general, sir, I had one prepared for you. I'm Bob Szerzynski. I'm a Department of Army civilian currently a student here at ICAF.

SEC. RUMSFELD: With that name, you're probably from Chicago, too. [Laughter.]

Q Pittsburgh, but we're still in mourning over the Super Bowl. [Laughter.]

SEC. RUMSFELD: [Inaudible.] [Chuckles.] Yes.

[Laughs.] So's Chicago. [Laughter, applause.]

Q Yes, sir. National missile defense has been a priority for your administration since the first day. The president reaffirmed that priority in the State of the Union address. How has that priority, role, and mission changed, if it has, since the events of 9-11?

SEC. RUMSFELD: Oh, I don't know that it has. If you think about it, when I was in my confirmation hearing, I was asked about the range of things that concern me, and it was really two things. One was our intelligence-gathering capability, given the complexity of the world and the fact that we don't have one or two targets, we've got a great many targets, and the fact that denial and deception is so advanced today in the world that it's a very difficult thing to do to actually have actionable intelligence. I don't know how many times General Franks and I sat there and worried through the question of actionable intelligence in the past several months, but it was a great many days.

And we talked about the asymmetric threats, and it was never one over the others, because it moves along the spectrum. To the extent it's not advantageous to tackle armies and navies and air forces, it becomes quite advantageous to look at areas of weakness, including, obviously, terrorist attacks, cruise missiles, ballistic missiles, cyberattacks, attacks on space assets and communications assets.

So I think that that missile defense issue remains. It's something we've -- we were inhibited by the ballistic missile treaty, the ABM Treaty. In a few months, that will be behind us. We've been not doing tests that would be in violation, because our country doesn't violate treaties. The president's now given the six-month notice.

At the end of that time, we'll be able to actually execute a robust R&D program to see the best, most cost-effective way to provide defenses that will dissuade people from thinking that they can hold our country and our forces and our friends and allies hostage.

Questions? Yes, sir, in the back.

Q Sir, Lieutenant Colonel Pete Maunz, ICAF. In regard to the war on terrorism, how do we know when we've won the war? What indicators are you looking for?

SEC. RUMSFELD: I'll let you know. [Laughter.] No, that's not fair. [Laughter.] It's a tough question. There will not be a signing ceremony on the USS Missouri -- for several reasons, but -- [laughter]. The reality is that our goal is to be able to live as free people and to be able to get up in the morning and go out and know that our children can go to school and they'll come home safely, and that we don't have to carry weapons and hide and live underground and be fearful and acquiesce and give up our freedoms because some other group of people have imposed their will on us.

Now, what does that mean? It means that we have to go after the terrorist networks. It means that we have to deal with countries that harbor terrorists. And you are never going to solve every terrorist act. I mean, some people in Chicago terrorize their neighbors. But that's not what we're talking about here. We're talking about global terrorism. And I think we can do an effective job on that problem. I think it will take a period of years. It's not something that will be quick. It's not something that at the end of that that it will be over and then you can relax, because there will always be people who will attempt to work their will against their neighbors and against the United States.

But I think we'll know when we have been successful in for the most part dealing with the most serious global network threats and the countries that are harboring those. The real -- the real concern at the present time is the nexus between terrorist networks and terrorist states that have weapons of mass destruction. And let there be no doubt, there is that nexus, and it must force people all across this globe to realize that what we're dealing with here is something that is totally different than existed in previous periods, and it poses risks of not thousands of lives, but hundreds of thousands of lives, when one thinks of the power and lethality of those weapons.

Questions for General Franks. [Laughter.] It better be a good one.

Q I'm sorry, sir, my question is for you as well. [Laughter.] It was prepared ahead of time. I'm sorry.

In various forums, including testimony to Congress, senior DOD leaders have expressed --

SEC. RUMSFELD: Who? What kind of leaders?

Q Senior Department of Defense leaders --

SEC. RUMSFELD: Defense leaders.

Q Yes. They've expressed the view that science and technology is, indeed, critical to transformation. If you agree, do you intend to encourage or, more importantly, stabilize the science and technology budget, and what areas do you think are important to push?

And then finally, can --

SEC. RUMSFELD: Well, see, I'm -- I can only do one or two at a time. [Laughter.]

Q This one --

SEC. RUMSFELD: You want me to get my -- okay, wait a minute. The answer to science and technology is yeah. In what areas?

Q Okay --

SEC. RUMSFELD: Certainly broad areas, because it's impossible know precisely where you're going to find the greatest opportunities.

I was in the pharmaceutical research and development business for years. And as often as not, if you had a serious effort in a specific direction, looking for something, what you found was equally important but different. There's a great deal of serendipity here. And you can go charging off with intelligent people, with a lot of money, and do a wonderful job on finding something that is more useful for something other than what you thought. So it's not -- you can't have precision in this area.

Now the third question.

Q Okay.

SEC. RUMSFELD: For General Franks. [Laughter.]

Q The last piece of my question is, can you see investing in programs such as -- take, for instance, something like hypersonic engines, which would be --

SEC. RUMSFELD: Hypersonic what?

Q Hypersonic engines, which would be something that could enable -- very high speed engines, that would allow you to access space. And really the technology itself is not what's important, but the thought of investing in something that most of us here in the room might not benefit from but that would really be a long-term investment that -- or benefit to those that will come after us? And that's the end of my question.

SEC. RUMSFELD: Thank you. [Light laughter.] Thank you.

You know that truth does have a certain virtue. What -- [light laughter]. What I do, I am no Mozart and no Einstein. Those folks would go off in a room and figure out something brilliant by themselves. Most of the rest of us, what we do, we do with other people. And what I do with respect to the Central Command is I sit down with a fellow who knows an awful lot more about it than I do, and we go back and forth and discuss it, and I learn a lot, and he ends up doing a wonderful job for our country. And I do the same thing in the area of science and technology. The last thing I would do would be to reach down into those things and micromanage some piece of it. It is not likely I would do that. And I'm sure that there are people who are involved in these activities listening today. And if I said yes to your question, they might go off and do it. [Laughter.] Or worse, they might go out and not do it. [Laughter.] But -- so I'm disinclined to try to pretend I know the answer to your question, which I don't.

Now -- don't stick your hand up unless it's for General Franks. [Laughter.]

Yes.

Q Sir, Lieutenant Colonel Pete Micale, United States Air Force, from ICAF.

Sir, my question is for General Franks.

SEC. RUMSFELD: Go ahead.

Q Sir, how do we maintain a capability to have troops that can ride on horseback and call in airstrikes and do all the high-tech things that we need to do in the future but maintain that tie to the low-tech things that might be of high value in a future conflict, when we're concentrating on procuring new weapon systems, new hardware and new technology?

GEN. FRANKS: Intellectual malleability. Thought. [Laughter.] Flexibility. Never denying the possibilities when one considers the human spirit -- the spirit of men and women in uniform -- men and women who have served you in the past and who'll serve you in the future. What we do is, we -- we assure ourselves that we maintain core competencies to represent the capabilities the secretary described in his prepared remarks. There are capabilities that we know we need to have as we move toward tomorrow.

One of the things that we don't want to leave behind as we move toward tomorrow is the ability to think, the ability to adapt, the ability to do things that the Soviet Union was not able to do and is no more.

Probably the best answer that I can -- that I can give you -- I can tell you that no one taught these brave young men to request leather saddles, oats and that sort of thing; they figured it out. But I can tell you, when they went on the ground, they also had some of the most incredible and highly technologically capable assets with them that this nation is able to produce, which -- so the combination of their willingness to rise up and exercise their intellectual flexibility and do the right things with saddles and horse-riding and that coupled with some of the best technological capabilities we were able to give them produced the result that I think we've all seen.

Not an entirely satisfactory answer to your question, but I think -- I think that the practical answer is the answer. What we do is, we focus on the capabilities we know we're going to need for the future, and then we trust America and these young men and women to be able to fill in the gaps and connect the dots for us.

Yes, sir. Yes.

Q Cliff Tompkins, Industrial College of the Armed Forces.

I'll toss this question up to both of you, sir. You've talked about transformation and the need for a quick adaptation in regards to doctrine, force structure and acquisition. However, what I didn't hear were any requirements or suggestions for transforming what many believe to be a key impediment to quick transformation or quick adaptation and true transformation, and that's our planning, programming, and budgeting system.

I was wondering if you could give us your thoughts on the need for transforming this support system. [Cheers, whoops, applause.]

[Laughter.]

SEC. RUMSFELD: [Laughs.] I'm not going to give you the particulars, but about eight, 10 weeks ago I had to sit through a meeting with the president of the United States, and these nice folks came in and they started a briefing, and they explained exactly what was happening, and they said that the presidential -- it starts with the presidential guidance, and then it comes to the secretary of Defense guidance, and then it goes down to the CINC, and then it's worked on, and then it proceeds all the way out to the other end, and here's what we're presenting today. And he had pictures of the president and a picture of the secretary of Defense up there, and I looked at it, and I said, "When did the president give that guidance?" And it was 24 months ago. It was another president. [Laughter.] I said, "When did the secretary of Defense give that guidance?" And it was 18 months ago. It was a different secretary of Defense.

And these nice folks, they worked their heads off, they -- just like beavers, and they produced this thing, and it came out. If -- you know, you -- it had nothing to do with today. It had nothing to do with anything that was going on today. And wonderful, dedicated, fine, talented people doing acts, work, effort that was wasteful of their time, and a shame, and I felt badly.

These procedures that this department has are so powerful, it's like a train being loaded in San Francisco, the freight train.

Car after car is filled the way someone believed it should be done six months ago, before September 11th. And then it starts rolling down the track, and it comes and it comes and it comes, and it arrives in New York City and it unloads, and it's nothing anyone needs.

Dov Zakheim, the comptroller, has already collapsed a few pieces of it.

These -- the processes, the -- that -- these freight trains that are going down the track, as I said earlier, don't connect. We can perfectly compare all the war risks between North Korea and Iraq and this and that, and it does not connect at all to the people risks, it doesn't connect to the modernization risks, it doesn't connect to the transformation risks. They're all on separate tracks, and there isn't any way to look at these. One's apples. The other's oranges.

Now what we going to do about that? Is that what the question was? [Laughter.] We're going to do everything that is humanly possible. I am absolutely dumbfounded and shocked that it can work the way it works, and wonderful, talented people can work their heads off in it, and that we aren't capable of getting them to connect between them and to get them sufficiently fast and sufficiently flexible.

Now, if you think of the budgeting process, part of it is the Congress, and part of it's the fact the OMB has to have a crack at it. So if you think of a fiscal year that begins in October 1st, the Congress needs from February to October to do the authorizations, to do the appropriations, some portion of that time. So you can't mess much with that. Then you've got the period from when it's announced -- February, this February 4th the president's going to announce the budget. We have to get it to OMB sometime before that; for the sake of argument, October, November, in there. That means it has to be started working on -- it was -- actually, the '04 fiscal year budget that will be effective in October of '03 -- that's right. [Laughter.] It's so long I can't cope with it! [Laughter] -- actually starts, you know, years beforehand. And the whole early building process ignores so much of what's already happening.

Well, now, if -- when I was secretary of Defense the last time, a quarter of a century ago -- not many of you were even alive, as I look out here -- [laughter] -- the reality was that the acquisition period was about half of what it is today, and the reality also is that technology is advancing about four times as fast as it used to. Now, how in the world can we expect to live in a circumstance like that? The only thing wrong with your question, it wasn't vicious enough.

Next! [Laughter.] Yes.

Q Sir, Commander Marcie Woolson, Industrial College of the Armed Forces. You mentioned asymmetric warfare. Yes, sir. Sorry. [Laughter.]

[Laughs.] General Franks, if you'd like to take a crack at it, you're welcome to, sir. [Light laughter.]

But you mentioned asymmetric warfare, and a big component of that is interconnected systems.

SEC. RUMSFELD: It is.

Q Do you envision with the -- that operations in the transformed military of the future will shift emphasis somewhat from kinetic systems to cyber warfare?

SEC. RUMSFELD: Yes! [Laughter, applause.]

Why don't we get Pete Pace up here, too? [Laughter.] I want you to meet the first Marine to ever serve as vice -- [cheers, applause].

There you are. Yes, sir?

Q Sir, I am Lieutenant Colonel Rene Fernandez, Chilean Army, National War College. Would you elaborate what kind of a threat you perceive in the next future inside of the Western Hemisphere, and what kind of --

SEC. RUMSFELD: I'm sorry; what kind of threat --

Q What kind of threat do you perceive in the Western Hemisphere --

AUDIENCE: Western Hemisphere.

SEC. RUMSFELD: Western Hemisphere.

Q -- and what kind of role for the Western Hemisphere armed forces do you identify in relation with those threats? Thank you.

SEC. RUMSFELD: I'm sorry. I got the first part. I lost the second part.

GEN. FRANKS: What kind of armed force would you --

SEC. RUMSFELD: Pardon me?

GEN. FRANKS: What kind of armed force would you envision to need for that threat?

SEC. RUMSFELD: The question is about an armed force in the Western Hemisphere.

Q For the whole -- all armed forces.

AUDIENCE: Armed forces.

SEC. RUMSFELD: For all armed forces. I'm sorry. Thank you.

Q Sorry, my bad English, sir. [Laughter.]

SEC. RUMSFELD: [Laughs.] Well, you should hear my Spanish! [Laughter, applause.]

I think that we ought to expect -- first of all, we just had a threat in this hemisphere, on September 11th. And we saw the use of airplanes as missiles. And it is -- I honestly believe that it is more likely to be, in this hemisphere, an asymmetric threat than any other. I think that the reality is that, at least with respect to the United States, we are so heavily dependent on our communications, we're heavily dependent on technologies, and they are not all hardened, and that fact has to be attractive to one wishing us ill. And there are certainly ways that people can jam, immobilize, make more difficult and cost us a great deal by using very readily available technologies that we've developed against us. And it's type of thing that I think in this hemisphere is most likely.

Questions. Yes?

Q Yes, sir. Commander Joe Spruill, United States Navy here at the Industrial College of Armed Forces.

And General Pace, the question I have for you, sir, is: What question would you like me to ask the secretary? [Laughter, applause.]

SEC. RUMSFELD: I --

GEN. PACE: Never let a promising career stand in the way of a good joke.

Go ahead.

SEC. RUMSFELD: [Laughing.]

[Sustained laughter.] [Cheers, applause.]

SEC. RUMSFELD: Oh, that's wonderful.

Q We've just gone through a few days here, through our crisis-decision exercise. We've pretended we're in the year 2008, and a number of possible and credible-type threats that we've tried to negotiate both here in our hemisphere and around the world -- and one of the things that we kept coming back to is that there are a number of agencies we wanted to tap out and reach. And the Homeland Security folks were ones that were primary on our mind. And in the recent press events, there's been some discussion about CINC homeland. Could you speak -- Mr. Secretary, either you or the general could speak a little more on what can we expect to see and what the

CINC homeland is going to look like?

GEN. PACE: First of all, I think we're doing an excellent job in our own government of teeing up decisions for the decision-makers in the entire process that leads up to things getting in front of the president's door to the principles. What happens, I believe, after the decision is made, is we then go back to our stovepipes in execution. And we have yet to come up with a decent formula inside the United States, in my opinion, of a way to take a decision like execute Plan Colombia, for example, in a way that is coordinated and continues to be tied together well in Washington. It gets done, but we have some slop-over, because we tend to go back into our stovepipes.

With regard to homeland security, one of the potential problems we have right now is we have the National Security Council, and then we have the Homeland Security Council, and we have several entities that, for good and sufficient reason, when they were stood up, were brought online to do certain things. Now we're going to have the CINC of Northern Command have the responsibility for homeland security for the United States. And that'll be a third entity that will enter this -- enter this discussion.

From our standpoint, this individual is going to have to take NORAD and ensure that the very, very long-standing close relationship with Canada is maintained and nurtured and taken properly into the future and to figure out, is there a way, then, to add to the air defense, the land and sea defenses? He's going to have to figure out, for starters, where is the best place to be? We want him near the Capital region, probably in the Capital region -- maybe not, if homeland security is something that we want to be concerned about with some kind of an attack in and around Washington -- and then building the staff and what types of functions do we want this CINC to be able to perform -- posse comitatus, how much do we want our military to actually do or not do inside the United States?

Right now we have folks who are going to be detailed to the borders of the United States in support of other government agencies, and how do we work all that?

So I can't give you a precise answer yet, because we are just in the beginning of understanding the types of capabilities that we need this country to have.

And then who best should perform those functions and provide those capabilities? Should it be the states? Should it be the federal government? And if it's the federal government, should it be FEMA? FBI? The military? We need to make all those determinations.

So whoever this new CINC is going to be, come 1 October, he is going to be very busy just figuring out what questions to answer and then determining how to go about answering them.

SEC. RUMSFELD: I should add one thing, and that is that when the general says some forces are going to be assigned to the borders, it's going to be for a brief period. We already have an exit strategy. [Laughter.]

Questions? Yes, sir?

Q Good morning, sir. I'm Willie Smith with Department of the Navy. As you were speaking, I was thinking about our open society and the freedoms that exist therein, and certainly the picture that you paint for threats of the future suggests that some of those freedoms will have to be at least re-looked at by the American people in terms of how we conduct our day-to-day lives.

If you could, from your perspective, what kinds of -- what areas do you see as areas that we will probably have to compromise in terms of our -- the freedoms that we've enjoyed in the past?

And secondly, do you get the impression that -- from your experience, that the American people have the stomach to deal with making those kinds of changes?

SEC. RUMSFELD: That's a tough question. And I guess my short answer is that there -- I have so much confidence in the American people, I don't doubt for a minute but that we're going to be able to live in this world, and I do think we're going to be able to live in this world without giving up an awful lot of our freedoms. I think the president put it well when he said that clearly we need to be -- "have a heightened sense of awareness," I think, was the phrase he used, which is a good phrase.

I mean, if you think of those people in the airplanes that stopped the man with explosives in his shoes -- God bless them. I have not ridden on a commercial plane since September 11th, but I can't believe anything other -- that everyone riding on those planes is sensitive to those issues.

And that's not a bad thing, that's a good thing. I think that -- I mean, goodness, the Super Bowl's going to go on. People go out, and they do their things. On the other hand, we are realistic. We're spending a lot of money and we're spending a lot of time trying to make sure that we take reasonable steps to protect our nuclear power plants, to protect -- have some combat air patrols in the air, to be available, and some strip -- planes on strip alert. We're doing things with respect to borders and airports that are distinctly different. It takes longer to get on a plane today. And the trade-off is something that people seem to be able to live with really quite readily, because they understand the risks we face. And people have a pretty good inner gyroscope that seems to keep them centered, actually. I feel pretty good about our future.

Question. Yes. Way in the back, waving cards. [Laughter.]

Q Sir, Lieutenant Colonel Bob Costello, United States Army Reserve. This question is for General Franks.

SEC. RUMSFELD: God bless you. [Laughter.]

Q Sir, having been the on-site commander, and now the CINC, and having worked extensively with the Army Reserve and the Army National Guard, how do you foresee the Army's portion of the transformation as it affects the Reserve components?

GEN. FRANKS: My personal view is that the Army's approach to transformation is about right. Now, the --

You know, I will tell you that the wearer of this particular uniform sort of belies my -- the work I do and the way I think. It occurred to me the other day that I'm never going to be in the Army again. And so it may be that this is a little bit of a tough question, but I'll give you an answer to your question from a joint and a unified sort of perspective.

I think the United States Army has it about right when it recognizes the need for transformation, and I think those of us who wear this uniform would say that -- had it about right a couple -- three years ago when the Army started to move in this direction. I don't make a distinction between transformation for active forces and transformation for Army Reserve or National Guard forces, because I believe that these represent America's Army forces, and I would say the same thing about our airmen, and I would say the same thing about naval forces and so forth.

I think that there is recognition in the United States Army that transformation is necessary. I think a lot of energy has gone into that. I think some of the experience we have gained in Afghanistan provides a testament to the validity of the approach.

I think the Army, given its own head, would probably accelerate what it's trying to do.

And so, long answer to a short question, I'm a believer in the approach. In terms of the prioritization of equipping and the transformation of the structures of active and which active and Reserve component and which Reserve component units, I have to leave that to people who are much smarter than I am on that subject.

Thanks.

SEC. RUMSFELD: You know, on the subject of transformation, I mentioned earlier that we do have a new Office of Force Transformation, and Admiral Cebrowski is the head of that office, and he's here. I'd like to have him stand up and see -- so you'll see the human being who is helping us think through a lot of these things. [Applause.]

Yes, sir.

Q Sir, Captain Charles Carson, U.S. Navy, student at the National War College. If there is an overriding theme that we've had throughout the year, it is that national security policy making is a delicate balancing act among ends, ways, means and risks, and ranking priorities. If you could only choose one or two, what would your priorities be?

SEC. RUMSFELD: One or two priorities.

Q In terms of transformation, yes, sir.

SEC. RUMSFELD: In terms of transformation --

Q If you have six or seven things you'd like to accomplish, but for whatever reason, all six or seven just can't be accomplished, what are your top two, and why?

SEC. RUMSFELD: [Pause, light laughter.] That was a vicious question. I -- [laughter].

[Aside to Gen. Franks/Pace] How do you answer that question? [Laughter, applause.]

Why don't we let the expert just tell you? [Laughter.]

ADM. ARTHUR CEBROWSKI, USN [RET.] [Director, Office of Force Transformation]: The most important transformation that we're facing is the transformation from the Industrial to the Information Age. To the extent we do that well, all of our other efforts in transformation will prosper. To the extent that we don't, all of those efforts will be for naught. [Applause.]

SEC. RUMSFELD: General Pace.

GEN. PACE: If I could only pick one thing, I would pick mindset. I will tell you categorically that if we change none of our toys and simply change the way we think about how to apply them, we will have transformation on a very, very fast path.

Take, for example, what happened in Afghanistan and all the things you've heard about. The reason that happened was the mind-set change of the leadership, both doing things differently, leaning forward, as the secretary talked about, and not spoken about here, but very important -- and Tom Franks can nod his head if this is true or not -- the ability of the CINC to have the freedom to make mistakes, to try things when you're in the beginning pieces of a new way of doing something, to be able to try and make mistakes and know that your boss is going to let you make the mistakes and pick yourself up and clean yourself off and get back in the game -- huge mind-set difference and, I believe, the catalyst for wherever we're going in transformation.

SEC. RUMSFELD: Now I'm going to take the admiral's and the general's comments as suggestions. [Laughter.] And I'm going to give you the answer. [Laughter.]

And the answer is this: I went yesterday with General Myers over to see the president of the United States. And we sat down, and I said, "Mr. President, we're going to do an awful lot of things in the next 12 months in the Department of Defense, but there's not a single thing we're going to do that is anywhere near as important as the subject I'm putting before you today."

And I went over and laid out the six or eight top posts that are coming open in the next four, five, six, eight months, and the kinds of people, the criteria that I felt were critical -- that we look for the very best people for those six or eight top jobs, and what the criteria were, and how we were going to approach it.

And I said, "When we come in with those recommendations and here are some people we're thinking about, we want you to know that, start thinking about this, because this is critically important to your presidency." And it is going to have more to do with transformation than anything the admiral or the general said. [Laughter.]

Questions? Yes?

Q Mr. Secretary, Commander Morro, ICAF. Sir, in your plans for transformation, do you envision the military health care system staying within the military or moving over to the private sector?

SEC. RUMSFELD: I don't know. [Light laughter.] I have trouble believing that we should have, for example, in the Navy such a high percentage of our total force doing medical work.

I don't know that I'm right, but I'm -- I just have a sense that that may be right. And I think there are -- maybe it's because I spent too many years in the private sector, but I do believe there are things that we can find ways to do in the private sector as well or better and as efficiently and possibly as or more cost-effective, and be able to focus on some other things.

So I expect that some aspects will migrate that way. The problem I've got is that -- well, I won't get into it. That's a side road, and I'm -- some other time we can talk about it.

Questions? Way in the back. Lady. Woman. Excuse me.

Q Yes, sir. Lieutenant Colonel Joanna Shumaker, Air National Guard, ICAF. Your comments on transformation -- very important to us as strategic leaders in the studies we've had here at ICAF. My quest is for advice to us, as strategic leaders, how to walk that fine line, as we come out on fire from ICAF with leader adaptability and flexibility, in order to help change that mind-set in some of the people we'll probably be working for. Can you give us some advice on how to break that code?

[Laughter, whoops, applause.]

SEC. RUMSFELD: Oh! [Laughter.] Well, in Chicago they just break kneecaps, but -- [laughter] -- but that would be wrong. [Laughter.]

I must say -- I have to confess it is not easy. It is not easy. There's something about an awful lot of people, the higher up they get, that it's increasingly difficult to adapt and adjust and change. It's just a fact.

And I suppose all of us go through a pattern where we do certain things, and they seem to work, and they end up here, and if it was good enough for me, it's good enough for others. Now the fact of the matter is, life just doesn't work that way.

And my -- I don't know the answer. I think that what you have to do in life to get people to see what makes sense is to encircle people -- encircle them with people with good ideas, encircle them with a variety of different perspectives as to how something looks from a different perspective -- use anecdotes and word-pictures and persistence.

But we simply cannot afford to think that what is, is going to be good enough for the future. It just plain isn't.

The way the Department of Defense runs, the budgeting system, the planning system is, broken. It is not serving the department or the country well. And yet it is inexorable. It just rolls along, like the freight train coming from San Francisco with the wrong things for New York.

And there are plenty of people who look at it and don't know it's wrong. I sat in meeting after meeting, and people said, "Well, that's the way we do it. This is how it works. This is what it is." And, "Don't you understand that the only way to affect that is to reach back 2-1/2 years ago and load it properly?" And of course my answer is, "Don't you understand we didn't have -- we don't have 2-1/2 years to wait to change? We need to get at it."

So I have a feeling -- if you know that good a question, I have a feeling you're going to figure out what the answer is. [Laughter.]

Yes?

Q Sir, Lieutenant Colonel Greg Cook from the National War College. One of the biggest roadblocks to your transformation would seem to be divestiture.

SEC. RUMSFELD: To YOUR transformation?

Q To OUR transformation, sir. [Laughter.] Our transformation.

SEC. RUMSFELD: That's [better ?]. [Laughter.] The most I can say for you so far is you're moderately educable. [Laughter.]

Q Sir, I'm on your team; I guarantee it. [Laughter.] And that's why I asked this question.

SEC. RUMSFELD: You're a star. [Laughter.]

Q There are many roadblocks in trying to divest those things that we don't believe that we believe anymore -- bases, weapons systems, units, those kinds of things. And how do we overcome the vested interests that lie out there in our communities and industry and Congress and elsewhere that -- and even in the services -- that would be those roadblocks to our transformation?

SEC. RUMSFELD: Well, this town's an awful lot different than it was 25 years ago. I keep reading in the press that I don't understand that, but in fact I do. I'm not sure I like it a lot better, but -- [laughs] -- it is different. There are very entrenched forces that have helped establish and create what is, in terms of weapons systems and percentages for this person and percentages for that service, and bases here and bases there. The forces that put those things in place are here and they are working in concert to keep what is as it is.

The only way I know to change that is to go to the American people and tell them the truth. I mean, the fact is, we are toting around about 23 percent more base structure than we need for our force structure. We don't need it! It's wasting taxpayers' money. Some poor carpenter in Chicago is earning money and paying taxes so that we can tote around 23 percent more base structure than we need.

That is wrong! It's taking money away from the people. It's taking money away from the modernization. It's taking money away from transformation, and it's increasing more risk. And it's not right!

Now, if we all see that -- and all the chiefs say it; they tell the Congress every year -- and all the former living secretaries of Defense say it unanimously; not a one disagrees -- and if enough of us say it, and we say it often enough -- the men and women in the Congress want to do what's right, and they want to do what their constituents want. I once was one. And I know -- when you get up in the morning, and you're proud as can be to be the human link between a half a million people and their federal government, it's an important responsibility. And they do want to do what's right, and they do want to do what their constituents understand to be right. And we've got a job to help the American people and the Congress and the public and the press understand what -- and be persuasive as to what makes sense for this country. And it is just a plain fact that what is not right in perpetuity, notwithstanding all the pressures to keep it that way.

Questions?

Yes.

Q Sir, Francis Horne, Department of the Navy civilian and National War College student.

Talking about things that are and were and have been for a long time -- current legislation that establishes the national defense establishment dates from 1947. Do you see any need for any legislative change that would facilitate the transformation you're talking about?

SEC. RUMSFELD: Well, we've got a -- we're -- we have some proposals up before Congress -- not to the '47 legislation, but to the way we interact with the Congress. I don't know quite how it happened, but along the road between the time I left the government in 1977 and when I came back, last year, a good deal of distrust has developed between the Congress and the executive branch. And there is a whole generation of Congress -- and I don't think there's three congressmen who I served with that are still in Congress, that -- I was out that long. I think John Dingell is probably the only one, and Strom Thurmond and a few others -- but -- [laughter] -- that's right! -- [laughs] -- Bob Byrd -- but, I mean, there are not a lot who are -- were there.

But something happened in the intervening period, where the executive branch has done something that causes distrust by the Congress, or the Congress has, for whatever reason, decided that they want to put on literally thousands of earmarks on the legislation that "You can't do this, you can't do that, you can't do this, you can't do that," where your flexibility is just -- it's like Gulliver, with a whole bunch of Lilliputian threads over them.

No one thread keeps Gulliver down, but in the aggregate, he can't get up. And that is where we are. The bill has gone from, you know, 40, 50 pages up to hundreds and hundreds of pages. We file over 950 reports every year to the Congress. I don't think anyone reads them. We're just out killing trees all over the world. [Laughter.]

And what we need to do is to be persuasive with the Congress and say, "Look, this is what has happened." No one congressman and no one report is wrong or bad, but it's the cumulative effect of all of this. We have over 400 people delating with congressional relations. I mean, that is a lot.

What do we do about it? The answer is, we be more persuasive than we've been. And we just go up and talk to them and explain what's going on. And every time you do, people nod and say, "Fair enough. This report was required 20 years ago and it's still being asked for, and you're quite right, it's no longer relevant," and pretty soon it gets dropped off. We just have to do a better job, I guess.

What else? Yes, sir?

Q Good afternoon, Mr. Secretary. I'm [name not used by request] one of the ICAF students from a DOD agency. And --

SEC. RUMSFELD: Which one?

Q Up north, NSA. And -- [laughter]. My question --

SEC. RUMSFELD: Good for you.

Q My question is --

SEC. RUMSFELD: You folks are doing a good job for us. We appreciate it.

Q Thank you, sir. I'll tell General Hayden.

My question has to do with acquisition. I was struck by your comment in your comments that we need to think more like venture capitalists. And this issue is more the Holy Grail of program management. Where do you stand on multi-year appropriations? And what would it take to get them? Every senior executive we've posed this question to has responded, "Good idea, but above my pay grade." So I guess my question is -- [laughter] --

[Pause.]

SEC. RUMSFELD: Good idea, and it's above my pay grade. [Laughter, applause.]

You're going to have to talk to these congressmen down here, and congresswomen, and first the OMB, I suppose.

There are a lot of suggestions on different ways to do it that would create a greater degree of stability. I don't know that any one's any better than any other. It's not a specific subject that I've addressed. We tend -- the last budget I think that we sent up was changed -- if you take the changes, meaning the things that were reduced or cut out and add it in -- in the aggregate, it was about 21 percent of the entire budget.

So you fashion 100 percent of a budget for a single year, and it comes back having been altered by 21 percent, with thousands of earmarks. That adds the number of people you have to have. It adds the amount of time it takes to do anything. It adds the lack of flexibility if you need -- if the world changes in between, so that you can function.

This morning I spent a great deal of time -- Pakistan has done a terrific job for the United States of America and for the war on terrorism. And we have been using their fuel; we've been using their airports; we've been doing all -- asking them to move forces along the Afghan line. Tom Franks goes and says, "Look, we're pushing from inside of Afghanistan. Al Qaeda and Taliban forces are going to be moving towards your border. Would you relocate some of your forces along that line?" And they move those forces and try to get up there so we've got an anvil we can pound these people against. And they're doing just enormously cooperative things for the United States of America in the war on terrorism.

And we're trying to figure out how in the world we can deal with them. It's all in different pockets. "This pocket's empty; we're sorry." We're not -- Congress doesn't allow you to do IMET with them. We can't train with their military for this reason. We don't have a cost-servicing agreement that dates back to first month. Therefore, we can't pay them for the gas. We're going to have to figure out -- and it's going to take us and the executive branch -- we're going to have to -- every committee jurisdiction's different for every pocket that this is all in. And every -- you just saw it, and it came up -- Musharraf -- President Musharraf -- and we had 6,8, 10 people in my office this morning trying to figure it out.

The next step is to get the National Security Council and try to pull together the OMB, and then they're going to try to get State and all the other departments and agencies and see if we can't figure out how we can -- not -- there's no quid pro quo; he just stepped up and said, "Let's help." And he did, and he has, and God bless him for it.

But we cannot -- literally not figure out how we're going to deal with him so that we can compensate him -- his country for all the things they've done without everyone tangled up in their shoelaces. [Laughter.]

And the amount of energy that goes into this is just unbelievable, because of the bureaucratic nonsense.

Sometimes I really get excited. [Laughter.]

Yes?

Q Joanne Callahan, Central Intelligence Agency. Mr. Secretary, you have alluded to the fact that you need actionable intelligence and that there has to be a lot more flexibility, interoperability, elimination of stovepipes, and that sort of thing.

Since you are undergoing a period of transformation, one could argue that the intelligence community, in order to continue to provide relevant support, also has to change. I'm wondering if you can talk about briefly the type of intelligence that has worked for you and -- without getting into specifics, of course -- and what you might like to see, what you're looking for from the intelligence community in the future. Thank you.

SEC. RUMSFELD: We have developed a very close relationship between the CIA and the Department of Defense in the last

12 months. I think I probably have lunch with George Tenet about once a week, and I'm probably with him once a day, on the phone or in person. And I know Tom Franks has got -- in fact, I'm going to have you come up here and comment on this, because here's a real-life example that's happening, where we have tried to connect and fuse the relationship between DOD and the agency. It's never perfect, but it has gotten better every single day since September 11th, I think it's fair to say.

Tom, do you want to comment?

GEN. FRANKS: Sure. I think that's exactly right. I think I'd probably characterize it as the very best relationship that I've seen since I've been in this line of work -- not as a CINC, but over 35 years.

And it's -- as the secretary said, it's the agency. It's also other other intelligence capabilities that we have within our government.

And I look back five, six months ago, and I think about the characteristics that the vice chairman mentioned, and that is, we'll get together, we'll think our way through something, and then everyone goes back to his own stovepipe, and we begin to function as best we can. And to be sure, we started that way in our activities in Operation Enduring Freedom.

But what we have learned is the -- what we've learned a lot about is the possibilities if you get together, create focus groups in order to think about a particular problem. It sounds a bit "old think," but there is no excuse for putting people together to work on a problem -- joint interagency intelligence groups, that sort of thing -- and we have found them to be very, very effective.

We do it differently now than we did four months ago. I predict we'll probably do it differently four months from now than we did four months ago, but we started out being very slow in our ability to move information. We -- and very slow in our ability to react to information, and it got better day by day by day.

And so I think we have a lot to be satisfied with at this point, but I don't think we need to be totally satisfied, because we're still in fact working around some impediments, rather than removing the impediments.

And so we have work to do in the future, but I think we ought to feel okay with where we are now.

SEC. RUMSFELD: Admiral Gaffney has just given me the hook. [Laughter.]

Colonel, congratulations again. General Pace, General Franks, thank you for assisting. And to all of you, thanks to you for what you do for our country. Good-bye. [Applause.]