

NATIONAL PRESS CLUB LUNCHEON WITH GENERAL NORTON SCHWARTZ

SUBJECT: THE AIR FORCE AND ITS CHALLENGES TODAY

MODERATOR: JOHN DONNELLY, VICE CHAIRMAN, NPC BOARD OF GOVERNORS

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**JOHN DONNELLY:** (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is John Donnelly. I'm senior writer at Congressional Quarterly, I cover defense, and I'm also Vice Chairman of the National Press Club Board of Governors. The National Press Club is the world's leading professional organization for journalists and we are committed to our profession's future through our programming and by fostering a free press worldwide. For more information about the Press Club, please visit our website at [www.press.org](http://www.press.org). To donate to our programs, please visit [www.press.org/library](http://www.press.org/library).

On behalf of our members worldwide, I'd like to welcome our speaker and attendees at today's event, which include guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many audience questions as time permits.

I'd now like to introduce our head table guests starting from your right. And please stand when I introduce your names. John Danner, chairman, Sierra and Native American Communications; Josh Rogin, who writes *The Cable*, a blog on foreign policy and national security that appears on the website of *Foreign Policy* magazine, and in the *Washington Post*; Stephen Trimble, a reporter with *Flight, International*; Jim Michaels, defense reporter at *USA Today*; Andrea Shalal Esa, defense correspondent, Reuters; Christopher Castelli, chief editor *Inside the Pentagon*; Andrew Schneider, associate editor, Kiplinger Washington Editors, and chairman NPC Speakers Committee.

Skipping over the speaker for just a moment, Donna Leinwand, *USA Today* reporter and former National Press Club President; Jim Asker, executive editor of *Aviation Week*; Kristin Coyner, a *Congressional Quarterly* reporter who writes the CQ weekly magazine's On the Move section, which tracks high profile personnel moves in the nation's capital. Kristin is a new member of the National Press Club. Rodrigo Valderrama, a member of the National Press Club Board of Governors who's an independent op-ed writer and managing director of Plantation International, LLC; and Vic Seested III, senior vice president and professional alliance group director at Morgan Stanley.

In June 2008, the Air Force was in trouble in relations with Congress, with the Defense Secretary and with the other services were strained for a variety of reasons. The Air Force's multi-billion dollar refueling tanker program, beset by scandal and other woes, was grounded. Calls were mounting to stop buying the costly F22 fighter jet. And most significantly, Air Force personnel had recently lost track of nuclear weapons in transit.

Defense Secretary Robert Gates had had enough. He ousted the Air Force secretary and the Chief of Staff. The new choice for Air Force Chief of Staff was General Norton Schwartz, who is today's speaker. In choosing General Schwartz, President Obama and Gates wanted to signal that things would be done differently from now on. In a break with the past, Schwartz was the first Air Force chief who was not a fighter jock or a bomber pilot. Instead, he had flown cargo planes, helicopters and aerial gun ships.

From day one, Schwartz made clear that stewardship of nuclear weapons was job one, but he has had a lot more than that on his plate. For the Air Force is, in many ways, a service in transition. Many of the Air Force's aircraft need to be replaced at unfortunately right about the same time, roughly over the next decade. The new weapons costs have to be kept under control. Meanwhile, pay and benefits for the approximately 680,000 military and civilian personnel in the Air Force are devouring an ever-larger share of the budget. In fact, healthcare costs, in particular, are in Gates' words, "eating the Defense Department alive."

At the same time, the country needs to grapple with the mounting federal debt. With half the appropriations Congress controls every year going to the Pentagon, military spending including the Air Force's more than \$110 billion annual budget, is expected to be on the table for cuts. Now as these budget wars heat up, the Air Force must show it is operating efficiently, just like the other services will. It must make the case for its relevance.

General Schwartz, who is a native of Toms River, New Jersey, has extensive experience to draw on as he confronted these issues. Before becoming chief, he ran U.S. transportation command, which is charged with all things military logistics. He also served as Deputy Commander of Special Operations Command. He's been in the middle of several wars starting in 1975 when he was a crew member in the 1975 airlift evacuation of Saigon. Today as Air Force Chief of Staff, General Schwartz is a member

of the Joint Chiefs of Staff. He provides military advice to the Defense Secretary and to the White House. We are very pleased to have the Chief with us today to shine a light on these issues. And so please, give a warm National Press Club welcome to the Chief of Staff of the United States Air Force, General Norton Schwartz. (Applause)

**GENERAL SCHWARTZ:** Thanks very much for the kind introduction. It does go back over a bit of history which is behind us, I think. But I'd also like to thank the National Press Club for hosting what I think is a very important event. And it certainly is my honor to address this audience for the first time. I thank you for the opportunity to share a few thoughts, and hopefully to add to the public discussion in which many of you all play a very, very important part.

Ladies and gentlemen, I have a quote that I think is interesting and it goes something like this. "Old international patterns are crumbling. Old slogans are unconstructive (sic). And old solutions unavailing. The world has become interdependent in economics and communications, and in human aspirations." Now, these are the words of a prominent statesman, Dr. Henry Kissinger. And while it might not be surprising that he would share this particular sentiment, what is perhaps more interesting is that he made this statement not recently, and not even in the last decade, but in 1975 as the United States Secretary of State in a speech titled, "A New National Partnership." He was stating then, as it is now, that geostrategic complexity constantly evolves. It remakes itself, revealing new patterns of cooperation, competition and conflict while dismantling old paradigms that have guided our priorities and decisions over time.

Therefore, although this geostrategic interconnectedness is itself nothing new, I would suggest today that the current manifestations that we face certainly are. And they are presenting profoundly unfamiliar challenges. The rub is, of course, we can only estimate the nature of the future threats, the capabilities of potential adversaries, with a topography of future operating environments. We are not afforded, and never will be, complete certitude about such things. And as we continue to be faced with trillion dollar deficits and compounding national debt, our purchasing power in the Department of Defense is likely to diminish. And this means that we cannot just commit substantial financial investments to prepare for an infinite variety of contingencies. For our nation's military, this suggests that we must be more flexible across a wide but far from infinite range of contingencies, and more versatile and efficient in everything that we undertake.

The need for versatility means, among other things, that we must balance today's needs with tomorrow's challenges. And the likelihood of threats and the severity of their consequences inform the decisions on how we prioritize how to balance and for what to prepare. We must carefully anticipate future requirements and implement selective and incremental approach of modernizing legacy capabilities, essentially, acquiring limited capability systems as stopgaps where necessary, and procuring next generation technologies where fiscally possible and responsible.

The greater versatility that we require is enhanced broadly by the inherent speed, range and flexibility of air and space power. With it, we are able to respond to different

multi-spectrum requirements. And leveraging this advantage is the family business of the United States Air Force, to which I will return and elaborate a little bit here in a minute. So in addition to versatile means, we must also be more efficient in our processes, in our procedures, and in our operations.

An important strategy is to reduce overhead operating costs, create more savings and then shift them directly to force structure and modernization, and to war fighting needs. Being more efficient also requires more interaction and interdependence between U.S. government organizations toward a whole of government approach, including joint and interagency within the executive and legislative branches.

For example, Admiral Gary Roughead and I are fully committed to a more robust Navy/Air Force partnership. Currently known as AirSea Battle where in we create efficiencies and collaboration to insure our nation's continued ability to project expeditionary power. AirSea Battle will focus on three levels of joint cooperation between the nation's two strategically oriented and globally postured military services. First, institutionally with dedicated organizational constructs that normalize Navy and Air Force collaboration. Number two, conceptually, with institutional agreement on how Navy and Air Force systems will integrate and operate together. And third, materially. With interoperability among current systems and integrated acquisition strategies for future joint capabilities.

AirSea Battle is one promising way in which we will further increase our teamwork, enhance our joint partnerships and amplify our joint effectiveness. Making it that much more difficult for potential adversaries to keep pace with what is already the gold standard of inter-service cooperation and collaboration.

Indeed, the United States Air Force is a proud joint partner that will look to further enhance the ways in which it will make its enduring and central contributions. First and foremost, airmen provide control of the air and space over our homeland, and wherever friendly forces operate. And they insure freedom of action in all domains by minimizing the threat of attack from above. In modern warfare, such control, even when localized, is a prerequisite for success. And because freedom of action in any war-fighting domain increasingly depends upon control in one or more of the others, our efforts increasingly include some measure of interrelated control of multiple domains; air, land, sea, space and so on.

Second, the Air Force leverages this air and space control as well as mission insurance in cyberspace to bring desired effects to bear on the most serious challenges to our vital interest. Airmen provide global vigilance, reach and power, the ability to see, rapidly get to, and create desired effects to almost anywhere on the planet through air and space powers, speed, range, versatility and flexibility, which are inherent, unmatched and undisputed. The Air Force, not uniquely but substantially, translates these inherent characteristics into rapid, precise, tailored war-fighting effects as required by our combatant commanders around the world.

And as we continue to do everything possible to prevail in today's fight, we are also vigilant for emerging threats and anticipating associated requirements. The Air Force will therefore continue to identify the ways in which air, space and cyber forces and cyber power can further bolster the collective capability of the joint team. Most recently, we have seen a rise in Air Force special operations, high end personnel rescue, joint tactical air control, remotely piloted systems, and intelligent surveillance and reconnaissance from both air breathing and earth orbiting systems.

We are very proud of our airmen and we have a couple here today who are being trained specifically for these roles, as well as nontraditional duties such as convoy operations, installation security, and reconstruction of war torn regions. But we also continue to provide our core contributions in precision strike, tactical and airlift support. I should say tanker and airlift support. Space born communications, early warning, and precision navigation and timing. And, of course, so much more. And we remain vigilant and ready for the threats of today's security environment. We are cognizant of the possibility of higher end, larger scale conflict. For as near peer competitors and potential up and coming adversaries increase their capabilities, they may seek to challenge us in ways that will require a somewhat different mix of Air Force capabilities and response, such as what we provided, for example, in Operation Allied Force over ten years ago.

We would hope that this can be averted. But in the meantime, our guiding principle would be to continue to stand with our joint and coalition partners and to deliver the fullest possible range of air and space power effects. If we were able to look forward to budgetary growth, or lesser urgency for more disciplined spending, our task of accommodating this uncertain future would be much easier as we could just invest more money to insure a wider range of capabilities and greater operational flexibility.

But the reality is defense budgets will likely continue to flatten, even as we contend with rising personnel costs, operations, sustainment and acquisition cost as well. Even with declining purchasing power, we still have to do more with the same or fewer resources, squeezing every last bit of capability from our current and future weapon systems. To do this, we will continue to be innovative with our tactics, techniques and procedures in employing our various capabilities in an ever-widening array of settings.

In short, we must be more efficient, versatile and flexible with both the ways and means at our disposal to create desired, tailored and decisive air and space power effects that are the trademark of your Air Force. We are proud to make these vital contributions to the collective strength of the U.S. military, which allows our nation not only to be prepared for future contingencies, but to aspire to prevent war as well. Our efforts to prevail in conflict have the accompanying effect of enhancing our deterrence posture and our ability to disincentivize the escalation of crisis into armed conflict, and armed conflict into large-scale war.

As we look to the future, control of air and space, holding at risk practically any target on the Earth, intelligence, surveillance, and reconnaissance, airlift and command

and control of air and space capabilities will remain the Air Force's most fundamental and more enduring core contribution. Let me just repeat that, because I think it is worth repeating. Control of air and space, holding at risk practically any target on the Earth's surface. Intelligence surveillance and reconnaissance, airlift, and the command and control of air space and capabilities, again, will remain our most fundamental and enduring core contribution.

And our airmen and fellow servicemen, bolstered by the unconditional support of our families, will help to insure that the blessings of liberty and opportunity that all of us have shared in this room shall remain a birthright for future generations of Americans. I greatly appreciate the opportunity to make a few remarks today, and I do look forward to your questions. Thank you very much. (Applause)

**MR. DONNELLY:** Thank you, General. And we have an ample number of questions, more actually than we have time to get to, probably, so we might as well get started. First off, there's clearly an uptick in allied force air strikes in Afghanistan since General Petraeus took command, this questioner writes. Does this reflect a loosening in the restrictions on air power put in place by General McChrystal? And another questioner has asked what is the Air Force doing to reduce civilian casualties in Afghanistan?

**GENERAL SCHWARTZ:** On the contrary. The truth of the matter is we have 30,000 additional troops in Afghanistan, and additional operations suggest that there will be additional air operations as well. Remember that this is a joint undertaking. And so the fact that there has been an increase in such activities should be no surprise, it isn't.

With respect to our efforts, we know that each civilian casualty and each of our youngsters that are operating in Afghanistan know that each civilian casualty is a major concern for the commander, clearly for all of us. And we have the capacity to employ our assets with great precision and great discrimination. Let me just make the point that-- and this is Human Rights Watch data, this is not our data, it is credible data from a respected organization, that 80 percent of the civilian casualties in Afghanistan are not caused by coalition fires. And of the remaining 20 percent, only 40 percent of that is the result of air to ground munitions. So it gives you some sense of the precision, the discrimination, the professionalism that our airmen, Navy, Air Force, Army and so on, apply.

I'm not suggesting we're perfect, far from it. But you should not doubt the conviction on the part of our airmen to do what the commander has indicated is necessary.

**MR. DONNELLY:** What role did the Air Force play last year when the administration was conducting its review of Afghanistan, Pakistan strategy?

**GENERAL SCHWARTZ:** The role was basically to fulfill-- I have two hats, for those of you who might not know. One hat obviously is my Air Force chief hat, and in that capacity I work for the Secretary of the Air Force. And my role is to organize, train and equip the best possible Air Force on the planet.

The other role that I have is a member of the Joint Chiefs. And in that capacity, I team with the other service chiefs, the Vice Chairman and the Chairman of the Joint Chiefs of Staff to provide best military advice to the Secretary, to the National Security Council, and of course to the President. We did that through multiple meetings of the Joint Chiefs in which I certainly contributed, as well as did the other chiefs. And ultimately one session which we had with the President and his national security team at the White House in the sit. room.

**MR. DONNELLY:** Staying in the White House, last week, President Obama replaced his national security advisor, General Jim Jones, with his deputy, Tom Donilon. Donilon has often talked about balancing America's worldwide national security commitments with a focus on issues like Asia and big power competition. Question: what does this change at the NSA mean for the Air Force, and do you agree that a refocus on big power and capabilities is needed?

**GENERAL SCHWARTZ:** First of all, let me recognize Jim and Diane Jones as being wonderful public servants over many, many decades. As you well are aware, served as the commandant and Marine Corps subsequently Supreme Allied Commander, Europe, and then came out of retirement to do this job and certainly did it well.

The reality is that in my role as an organize, train and equip individual and as an Air Force, what the National Security Council deals with on a daily basis has relatively little effect on us in terms of that large organize, train and equip role. It certainly has significant effect on how we employ, where we go, what we do, and so on. So I think fundamentally, I think the change will be transparent. Both are very talented individuals, I know both of them well, and the United States Air Force, again, will fulfill its requirements to operating in the ways that our civilian leadership mandates.

**MR. DONNELLY:** This question is about military healthcare costs and the questioner wants to know specifically whether military families and retirees should pay a greater share than they're paying right now to address the growing bill that DOD is paying?

**GENERAL SCHWARTZ:** A bit of background. Healthcare for the Department of Defense at the moment is about a \$40 billion level of effort. And by 2015, it will probably be in the \$60 to \$65 billion level of effort. As you look at the DOD budget, that's probably 12, 13, 14 percent of the entire defense budget. That is serious money. And the reality is that the copays for TRICARE which is a very good program, certainly on par with any others in the country, we have not changed since 1985. I think it is inescapable that a change will have to be made, and clearly these are matters both for the executives to propose and for the legislative branch to dispose.

But we collectively, as a family of actively serving and formerly serving members and families, have to recognize that if we're not careful that these unbounded costs can force out military content elsewhere in the Department of Defense portfolio. That is

worrisome and something that we'll have to address; do it compassionately, do it rationally, but it needs to be addressed.

**MR. DONNELLY:** This question is about the ban on openly homosexual people serving in the military, so-called don't ask, don't tell law. You and the other chiefs said previously this year that you recommended that Congress not act to repeal the 1993 law until a survey of the troops had been completed. That survey is supposed to be done December 1<sup>st</sup>. If Congress acts on it in December, would that be acceptable to you? Acts on changing the law, that is?

**GENERAL SCHWARTZ:** We have an obligation to offer both to the leadership in the department and in the administration and so the Congress our best military advice on how to proceed. And as you suggested, the survey of our military members, some 400,000 or so, is now complete. Although we haven't seen the raw data yet that should occur later this month. And the survey of family members, likewise, wrapped up on the first of October and that date is not yet completely visible. But it will be, and we are on track to have that information and the associated research that will enable us, again, to offer our best military advice on if the law changes, how would we proceed with respect to implementing the change? And this will certainly be available for the Congress-- to inform the Congress shortly after the first of December.

**MR. DONNELLY:** So just to clarify, if it is available then you wouldn't oppose the Senate taking up a defense authorization bill that has a repeal provision in it in December?

**GENERAL SCHWARTZ:** I have not had the opportunity to review the data and I'm not going to prejudge what my recommendation will be at the time.

**MR. DONNELLY:** Question about China. Please provide us your assessment of how much the United States should be concerned about China's expanding military capabilities?

**GENERAL SCHWARTZ:** I think it's clear that China is a rising power in the Pacific. And clearly, it is in our national interest to see that they apply their resources and their genius and certainly their national power in a way that contributes to stability and prosperity, certainly in the Asia Pacific and around the world. And so, as you know, the Secretary of Defense met with his counterpart just this weekend. It's clear that it is much better for us to interact with our Chinese counterparts than to allow misperceptions to persist. This is the path we are on. They are a sovereign nation of, as you are well aware, several billion people. They have significant capacity as a nation and as a people. This is the reality. And what we need to strive to do is to assure that our interaction as two great powers, that we do so in a way that benefits, again, stability and prosperity around the world.



**MR. DONNELLY:** Another China related question. On Friday, President Obama lifted some embargoes placed on China in the wake of the Tiananmen Square massacre to allow us now C130 sales to Beijing. Can you explain what this means practically, and is this part of the administration's drive to reestablish U.S./China military to military ties?

**GENERAL SCHWARTZ:** I'm not personally familiar with that adjustment, but accepting it as a fact, once again I think that relationships occur at many levels. They occur at a personal level, professional to professional, they occur between air forces, in this case, that operate similar or the same equipment. It occurs clearly in a larger sense at other levels. And so, if we have approval to export certain U.S. capabilities to the Chinese and that is what they choose to do, then I see that as a potentially positive outcome because it has a way of assuring a long-term military to military relationship which doesn't mean that either party concedes to the other, necessarily, on any particular issue but maintains the professional interaction which I think is key to minimizing misperceptions, minimizing potential misunderstandings. And again, allowing rational activities to flow as a result.

**MR. DONNELLY:** A couple of question about Defense Secretary Gates's drive to save \$100 billion over the next five years and shift it from overhead to combat capabilities. Can you bring us up to speed on how much the Air Force is recommending that it will be able to cut their-- when the timetable of this happening? And one questioner wanted to know whether F35 multi-year procurement would be a part of that?

**GENERAL SCHWARTZ:** We have made proposals. We had a target, as many of you are aware, of about \$20 billion. We made budget proposals, which were submitted in July to the department that certainly satisfied that target. And we are in the midst now of program review, which is a process that will last through the holidays and result in the President's budget in the early part of next year. And it will be at that point, when the President's budget is announced, that the efficiency initiatives that each of the services has undertaken will become clearer to all.

I think with respect to multi-year, that clearly-- without a specific weapon system application, clearly multi-year makes sense if you have a long-term procurement-- the prospect for long-term procurements and you can assure budget stability. And so yes, we as an Air Force favor multi-year when it meets those two criteria.

**MR. DONNELLY:** Question about the refueling tanker program. When is the Air Force going to announce the award? And given the possibility of a protest, is there a sort of a drop dead deadline when you have to get this thing under contract to get the program rolling to replace the aging Eisenhower-era tankers?

**GENERAL SCHWARTZ:** As you're well aware, we had one protest on this program already and the General Accountability Office found in the government's favor. And so, that certainly is, in our view, a reflection on the rigor and the precision of all those who are working the current procurement process. In my view, it is more important

to get it right than to get it fast. And so, once again, we see the source selection coming to a conclusion in the next few months. But I would emphasize, again, that it is very important for us to get it right and like in the case of the United Aerospace, we intend to do that.

**MR. DONNELLY:** Another follow-up just to clarify. You said in the next few months. Can you say whether or not that'll happen by the end of the year, or be any more specific on that?

**GENERAL SCHWARTZ:** It is more important for us to get it right than to get it fast, thank you.

**MR. DONNELLY:** I'll take that as a no. On stepping back and talking about acquisition in general, what is the Air Force doing to improve costs, schedule, performance outcomes on its acquisition programs? And what are you doing to increase competition, to make sure that you can have more than the usual suspects bidding, and you can have multiple bidders on contracts?

**GENERAL SCHWARTZ:** As you're aware, one of the things-- and again, this is a tribute to Secretary Mike Donnelly, as many of you might be aware, I have a role in the requirements part of the acquisition process, but I do not have a statutory role in the acquisition side of things. That is largely in line from the Secretary to the service acquisition executive, and so on. Bottom line is that much to his credit, one of the early initiatives that we took in addition to stabilizing the nuclear enterprise, which you referred to earlier, was the acquisition improvement plan. And inherent in that plan were a number of initiatives to, again, regain that excellence in acquisition for which the Air Force was widely known in the not too distant past.

And that included bringing back into the government fold, into the Air Force, certain things which we, for a while, had allowed to migrate outside the government to prime contractors, system integrators, if you will. That includes cost estimators, program management, financial managers, and very importantly system engineering expertise which allows us to run a program, to know when things are wishful thinking and when they're not. To have this capacity within our own team, which had diminished some over time.

And so we are rebuilding that capacity, and again this is a case of show me. The major efforts that we have under way, certainly the tanker is one, I think the F35 lot four contract is sort of an indication of the kind of rigor that we intend to bring to the competitive process. And in that regard, certainly we favor competition. It is likely to produce a better product, likely to produce one that's less cost to the taxpayer.

However, it is not necessarily the only solution set. And one has to run the numbers. You have to look at the business case. And there are certain instances where either for the time or the resources available where it might make sense to have a hybrid sort of approach where it's competitive in part, and perhaps not in others. What I'm

suggesting is that a doctrine that says we'll compete everything is as foolish as an approach would suggest that would be cavalier about pursuing competition.

**MR. DONNELLY:** Speaking of competition, there's a big debate in Washington about whether there should be one type of engine for the F35 jets or two different types going forward. Why isn't that a case? Advocates of having two engines say that it resulted in savings in the past when the Air Force did it on the F16 program. So why isn't that an example of something where the Air Force should keep two manufacturers going?

**GENERAL SCHWARTZ:** You said it exactly right. Here's the deal. You know, people look back at history in the '80s, a key thing to understand is that we're not operating with the -100 engines of the vintage '80 era anymore. These are much more reliable, much better products than they were in the '80s. That's point one.

Point two is that we currently operate aircraft with a single engine. Admittedly, these are two engine aircraft, but the F22 is a single engine, F119. The F/A18 is a single engine, the F414. The bottom line, this is not unprecedented.

Third, I don't deny that competition might well result in some savings over the long run. The question is whether we can afford it in the short run. And I have to be candid; that if roles in G.E. are so confident that their product will succeed and bring value to the taxpayer, I'm just-- it would be nice if they put a little bit more against that \$1.9 billion that they'd like the taxpayer to undertake.

**MR. DONNELLY:** On the nuclear weapons issue, questioner wants to know what assurances can you give the American people that nuclear weapon stewardship is secure?

**GENERAL SCHWARTZ:** I can tell you that the United States Air Force is focused like a laser on this. Losing track of 36, or I should say, six nuclear weapons for 36 hours was awful. And we have made corrections to assure that that never happens again. We made corrections in terms of establishing the kind of organization that would provide oversight for the nuclear enterprise, both on the operations and the sustainment side. We have structures now within who work for me who are focused on this, not on an array of issues. And finally, we have reminded our people that do this work and that live under the pressure that's associated with the scrutiny that the nuclear mission brings with it, that their work is valued, that it's fundamentally important to America's military posture, and that they will be rewarded for being in this very challenging line of work. Again, this is a show me thing and things can happen. But it won't be for lack of attention.

**MR. DONNELLY:** Several people were interested in the subject of cyber war. Are there rules of engagement for cyber war? Who writes them? Are they completely secret, and who decides when to wage cyber war?

**GENERAL SCHWARTZ:** It's a complex issue and it is a sort of nascent question because this is an emerging area of competition and the rule sets, and particularly the statutory backdrop for this kind of activity is not yet mature. And it is something that all, certainly in the national security community, are dealing with and struggling with. You know very well that the department stood the United States cyber command with General Keith Alexander as the commander. He certainly is at the leading edge, both of cyber policy for the armed services, those in uniform. He certainly is at the forefront of our operations and at interacting with the various agencies of government here who have stake in how we proceed.

I need to emphasize that CYBERCOM's role is within the Department of Defense. It essentially is .mil. It is not .com, and only in a limited sense is it .gov. And so, the key thing here is that this is larger than cyber war with respect to how we as uniformed services employ our capabilities to create the kinds of effects that will secure our interest on the battlefields. It is broader than that and includes the Department of Homeland Security. It involves the other law enforcement agencies of the government. And so it is yet an immature area that requires certainly our best efforts and clearly is a growth industry.

**MR. DONNELLY:** Regarding satellites, big part of what the Air Force does, what steps are you in the Air Force taking to protect military satellites from attack? And would the United States ever attack another nation's satellite?

**GENERAL SCHWARTZ:** We just launched a couple of weeks ago from Vandenberg Air Force Base in California the first Block 10 space based surveillance system platform successfully on a minotaur rocket. And its purpose is to assure that we can watch our systems, be able to determine adverse activity with respect to our space systems. And this is vitally important, because I believe that you cannot deter if you cannot attribute.

And so, we are pursuing a path with respect to protecting our assets on orbit which allows us, again, to surveil (sic), to observe, to confirm, and to attribute if and when our assets become under either interference or attack, or what have you. This is vitally important, clearly. We have very important assets in order. Certainly in the area of reconnaissance and surveillance and we have assets that do more mundane things that you all know very well; precision navigation and timing like GPS. And very importantly, of course, is strategic warning as well, launch warning. So the bottom line is we are positioning ourselves now not only to look down from the heavens, but to look up into the heavens.

**MR. DONNELLY:** And what about the offensive piece of that? Is that a part of the Air Force's doctrine or future procurement strategy?

**GENERAL SCHWARTZ:** The national policy at the moment forecloses that, and we obviously are-- we comply with national policy.

**MR. DONNELLY:** Question about replacing the Air Force's bombers. When is the Air Force going to start developing a new bomber as opposed to study concepts or spend money on basic technology?

**GENERAL SCHWARTZ:** As soon as we can persuade the Secretary of Defense that we're ready and that we have a formula that satisfies his view of what the country and what the department needs to field going forward. The bomber is not an isolated platform. It is part of a family of systems that includes not just long-range strike, but it includes airborne electronic attack, it includes intelligence surveillance and reconnaissance. It includes communications connectivity. It includes standoff weapons and close in or direct attack weapons, and so on. And so fundamentally, what our purpose is is to explain to the Secretary and his close advisors how we see this family coming together, its various capabilities, that will last for the next 30 and 40 years and that it is a strategy which can be resourced given the likely pressures on the defense budget.

Those discussions are occurring now and they will conclude, I think, during this budget cycle. And so we'll have clearly some key decisions later this year, certainly soon after the first of the year.

**MR. DONNELLY:** Question about base closure, the base realignment and closure commission process. Does the United States need to have a new round of base closures? And if so, how soon?

**GENERAL SCHWARTZ:** If we're looking at efficiencies, there are three or four categories of things to look at. Clearly, one is the force structure, airplanes for us, or satellites on orbit, or what have you. There are ways to procure and operate those that drive lesser cost of operations. Personnel is a segment that clearly you could get smaller. We had no intent to do that in the Air Force. We're not going to get bigger, either, because we can't afford it. But the demands on the team are such that manpower, at least numbers, is not likely to change.

You can affect procurement, which is not an unsubstantial portion of the defense budget. But as you suggested in your introductory remarks, and this is not only true for the Air Force, there are recapitalization requirements after ten years of conflict that we need to deal with.

So, the last area, the last major category, is infrastructure. And the question is does the Department of Defense have excess infrastructure and to do its essential missions? And this is one area that I think needs scrutiny. I can't anticipate because, as you're all well aware, these are emotional issues, these are highly charged and whether there will be the will or the willingness to look at infrastructure as a place to gain efficiency. At the moment, it is largely off limits. My basic point is I don't think that it can remain that way indefinitely.

**MR. DONNELLY:** We're almost out of time, but before asking the last question, we have a couple of matters to take care of, important matters. Let me remind

our members, first of all, of future speakers. October 15<sup>th</sup>, Condoleezza Rice, former Secretary of State; October 25<sup>th</sup>, Ayaan Hirsi Ali, an author who's going to discuss Islam: A Religion of Tolerance; November 10<sup>th</sup>, Jeff Bridges, Oscar-winning actor and national spokesperson for the Share our Strengths: No Kid Hungry campaign.

Second, I'd like to present our guest with the traditional NPC, National Press Club mug. Since you're the chief, you can put whatever beverage you like in there.

**GENERAL SCHWARTZ:** Diet Coke.

**MR. DONNELLY:** Okay. And thank you so much for coming today. Here's the last question for you. You were quoted recently saying, "Some days are better than others on this job." And, of course, you were referring to the Air Force Association's defeat of Navy in a football game earlier this month. So, question is who's going to win the Commander in Chief's trophy which goes to the top service football team?

**GENERAL SCHWARTZ:** We're looking forward to going to the White House this year. (Laughter) You know, I must tell you just quickly, Mike Mullen and I were at the game. I got to toss the coin with the Chairman. It was a classic day of a service academy's football. This was two teams committed, played hard, close game. The crowds were supportive of both teams. Just the majesty of the moment was terrific. I am glad we won, but again, a key point is, and I really would like to just connect this with the photographer's daughter today, that American needs good people to do this stuff. And certainly whether they're middies or they're cadets, these are wonderful, wonderful folks that will serve the country well in years down the road, as well as your daughter. And I hope that you'll consider public service in some capacity as well. Thanks very much. (Applause)

**MR. DONNELLY:** Thank you for coming today. I'd also like to thank National Press Club staff, including its library and broadcast center for organizing today's event. For more information about joining the Press Club and how to acquire a copy of today's program, please go to our website, [www.press.org](http://www.press.org). Thank you, we're adjourned. (Sounds gavel.)

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