

Defense Secretary Ashton Carter Describes FY2017 \$582.7 Billion Defense Budget

Ashton B. Carter
Secretary
U.S. Department of Defense

February 2, 2016

Excerpts from Secretary Carter's Remarks

Status of the United States in the world: America is still, today, the world's foremost leader, partner, and underwriter of security in every region across the globe, as we have been since the end of World War II.

Five evolving challenges drive the focus of the Defense Department's planning and budgeting for fiscal year 2017:

First is in Europe, where we're taking a strong and balanced approach to deter Russian aggression. We haven't had to worry about this in 25 years.

Second is in the Asia-Pacific, where China is rising, and where we're continuing and will continue our rebalance, so-called, to maintain the stability in the region that we have underwritten for 70 years, and that's allowed so many nations to rise and prosper and win. That's been our presence.

Third challenge is North Korea, a hardy perennial – [laughter] – a threat to both us and to our allies. And that's why our forces on the Korean Peninsula remain ready every single day – today, tomorrow – to, as we call it, fight tonight.

Iran is the fourth challenge, because while the nuclear deal was a good deal and doesn't limit us in the Defense Department in any way – none of its provisions affect us or limit us – we still have to counter Iran's malign influence against our friends and allies in the region, especially Israel.

And challenge number five is our ongoing fight to defeat terrorism and especially ISIL¹, most immediately in its parent tumor in Iraq and Syria, and also where it is metastasizing in Afghanistan, Africa, and elsewhere. All the while, we're protecting our homeland and our people. While ISIL must and will be defeated now, in the longer perspective we must also take into account in our budget that as destructive power of greater and greater magnitude falls into the hands of smaller and smaller and more aberrant groups of people, countering terrorists will likely be a continuing part of the future responsibilities of defense and national security leaders as far into the future as I can see.

New investments in the budget: The budget supports smart bombs and laser-guided rockets; fourth-generation fighter and attack jets; support of NATO² allies; and new technologies. [*Please see text for details on these new investments.*]

¹ ISIL is the Islamic State of Iraq and the Levant.

² NATO is North Atlantic Treaty Organization.

Research and development (R&D): The budget grows our research and development accounts, for the second year in a row, investing a total of \$71.4 billion in R&D in 2017, a number that no other institution in the United States or the world comes close to.

Projects include: advanced navigation, swarming autonomous vehicles, self-driving boats, the electromagnetic gun (also called the rail gun), the arsenal plane, which functions as a very large airborne magazine; and a lot more. [*Please see text for details on R&D projects.*]

Smart and essential technological innovation. There are many other areas where we're driving smart and essential technological innovation in the budget to stay ahead of future threats over the long-term and keep our military in the decades ahead the best in the world, the first with the most, bar none. One of these is undersea capabilities, where we continue to dominate and where the budget invests over \$8.1 billion in 2017 and more than \$40 billion over the next five years to give us the most lethal undersea and anti-submarine force in the world.

[The budget] not only buys nine of our most advanced Virginia-class attack submarines over the next five years, it also equips more of them with the versatile Virginia payload module, which triples each submarine's platform strike capacity from 12 Tomahawk missiles to 40. [*Please see text for details on other projects.*]

Opening all combat positions to women. We're opening all remaining combat positions to women, very simply so that we have access to 50 percent of our population for the all-volunteer force. And every American who can meet our exacting standards – and that's important – will have the equal opportunity to contribute to our mission.

Questions by President Rubenstein: Following his speech, Secretary Carter answered questions from President Rubenstein. Subjects covered included the following (*please see text for President Rubenstein's full questions and Secretary Carter's responses*):

Does the new budget contain overseas contingency operations funding, so-called wartime funding?

How does the budget treat new ships for the Navy?

Can you see the Obama Administration sending ground troops into the Syria-Iraq area to combat ISIL?

What are you doing to encourage the so-called coalition to do more in the fight against ISIL?

Is there anybody else besides the United States flying and dropping bombs on ISIL?

Do you expect more conflict in Ukraine?

When the Obama Administration is over, will we still have 8,000 to 10,000 soldiers in Afghanistan?

Did North Korea explode a hydrogen bomb recently?

Do you favor a pre-emptive strike against ICBM³ or other missile capabilities of North Korea?

Is China building islands in the South China Sea for military purposes?

Before you leave office, do you think Guantanamo will be closed?

How damaging were the Snowden revelations?

Did the Marines oppose women in combat?

[*Please see text for other questions that President Rubenstein posed.*]

³ ICBM is intercontinental ballistic missile.

DAVID M. RUBENSTEIN: Welcome, members and guests of The Economic Club of Washington, welcome to this breakfast event in the Ritz-Carlton Ballroom of the Ritz-Carlton Hotel in Washington, DC. I'm David Rubenstein, president of the Economic Club. Welcome to you all.

We're very honored today to have the 25th Secretary of Defense as our special guest. Ash Carter has had a distinguished career in government service and in academic life. Very briefly, he became the 25th Secretary of Defense in February of last year.

Prior to that, he had served as Deputy Secretary of Defense for two years, and prior to that had served as Under Secretary of Defense for acquisitions, technology, and logistics. In the Clinton Administration, he had served for four years as the Assistant Secretary of Defense for international security policy. For those services in the Department of Defense (DOD) to date, he has five times been awarded the Distinguished Service Medal of the department, and also been awarded the Defense Intelligence Medal.

In the academic world, he's had a distinguished career as well. A graduate of Yale University, *summa cum laude*, majoring in theoretical physics and medieval history, an unusual combination – [laughter] – he won a Rhodes Scholarship, got a Ph.D. from Oxford in theoretical physics, taught at Oxford for a while, came back and was a research fellow at MIT and at Rockefeller University, also a research associate at the Fermilabs and the Brookhaven Labs. Ultimately, in 1986, he went to the Kennedy School, where he ultimately became the head of the Belfer Center and a chaired professor at the Kennedy School. He is the author of 11 – or co-author – of 11 books and more than a hundred scholarly articles on subjects such as theoretical physics and management and technology and national security.

Secretary Carter has spent more than three decades leveraging his knowledge of science and technology, global strategy, and policy as well as his deep dedication to the men and women of the Department of Defense to make our Nation and the world a safer place. He has done so in direct and indirect service of eleven Secretaries of Defense in both Democratic and Republican Administrations. Whether in government, academia, or the private sector, Secretary Carter has been guided by pragmatism and his belief in the boundless opportunities of the United States and has worked tirelessly to contribute to the ideas, policies, and innovations that assure our global leadership.

Secretary Carter was Deputy Secretary of Defense from 2011 to 2013, serving as DOD's chief operating officer, overseeing the Department's annual budget and its more than three million civilian and military personnel, steering strategy and budget through the turmoil of sequester, and ensuring the future of the force and institutional best practices. From 2009 to 2011, he was Under Secretary of Defense for Acquisition, Technology, and Logistics (ATL) with responsibility for DOD's procurement reform and innovation agenda and successful completion of key procurements like the KC-46 tanker. In this capacity, Secretary Carter also led the development and production of thousands of mine-resistant ambush protected (MRAP) vehicles and other rapid acquisitions that

saved countless service members' lives. Determined to get the most for both the warfighters and the taxpayer, Secretary Carter instituted "Better Buying Power" for the first time guiding the department acquisition workforce to smarter and leaner purchasing. And from 1993-1996, he served as Assistant Secretary of Defense for International Security Policy, where he was responsible for – among other issues – strategic affairs, nuclear weapons policy, and the Nunn-Lugar program that removed nuclear weapons from Ukraine, Kazakhstan, and Belarus. Secretary Carter also served on the Defense Policy Board, the Defense Science Board, and the Secretary of State's International Security Advisory Board.

Outside of his government service, Secretary Carter was most recently a distinguished visiting fellow at Stanford University's Hoover Institution and a lecturer at Stanford's Freeman Spogli Institute for International Studies. He also was a Senior Executive at the Markle Foundation, helping its Economic Future Initiative advance technology strategies to enable Americans to flourish in a networked global economy. Previously Secretary Carter served as a Senior Partner of Global Technology Partners focused on advising major investment firms in technology, and an advisor on global affairs to Goldman Sachs. At Harvard's Kennedy School, he was Professor of Science and International Affairs and Chair of the International & Global Affairs faculty. He served on the boards of the MITRE Corporation, Mitretek Systems, and Lincoln Laboratories at the Massachusetts Institute of Technology (M.I.T.) and as a member of the Draper Laboratory Corporation. He was elected a Fellow of the American Academy of Arts and Sciences and is a member of the Council on Foreign Relations and the Aspen Strategy Group.

Secretary Carter earned his bachelor's degrees in physics and in medieval history, *summa cum laude*, at Yale University, where he was also elected to Phi Beta Kappa; and he received his doctorate in theoretical physics from Oxford University, where he was a Rhodes Scholar. He was a physics instructor at Oxford, a postdoctoral fellow at Rockefeller University and M.I.T., and an experimental research associate at Brookhaven and Fermilab National Laboratories.

For his government service, Secretary Carter has been awarded the Department of Defense Distinguished Service Medal, DOD's highest, on five separate occasions. He received the Defense Intelligence Medal for his contributions to intelligence and the Joint Distinguished Service Medal from the Chairman and Joint Chiefs of Staff.

Secretary Carter is author or co-author of 11 books and more than 100 articles on physics, technology, national security, and management. A native of Philadelphia, he is married to Stephanie Carter and has two grown children.

This is the first time that we have had a Secretary of Defense speak to The Economic Club of Washington. So it's my pleasure to introduce the 25th Secretary of Defense, Ash Carter. [Applause.]

SECRETARY ASHTON CARTER: Thanks, David. Appreciate it. And good morning, everyone. Appreciate you being here. It's a pleasure for me to be – what I understand, David, – the first Secretary of Defense to address the Economic Club of Washington.

And one of the core tasks for me, and one of my core goals in this job, has been to build and to rebuild bridges between our wonderful department and the wonderful, innovative, strong American technology and industry community. So I appreciate you returning the favor by giving me the opportunity to be here as, what is, of course, the largest institution with the largest budget in America.

And it's that budget I'd like to discuss with you this morning. A week from now, President Obama will release his Administration's budget for fiscal year 2017. About half of its discretionary portion – that is, \$582.7 billion, to be precise – will be allocated for the Department of Defense. And today I'd like to preview with you some of the overarching themes and some of the new investments that we'll be making, because the fact is this budget marks a major inflection point for the Department of Defense.

In this budget, we're taking the long view. We have to, because even as we fight today's fights, we must also be prepared for the fights that might come 10, 20, or 30 years down the road. Last fall's budget deal set the size of our budget, allowing us to focus on the shape, making choices and tradeoffs to adjust to a new strategic era, and to seize opportunities for the future.

Let me describe the strategic thinking that drove our budget decisions.

First of all, it's evident that America is still, today, the world's foremost leader, partner, and underwriter of stability and security in every region across the globe, as we have been since the end of World War II. And as we fulfill this enduring role, it's also evident that we're entering a new strategic era. Context is important here. A few years ago – following over a decade when we were focused, of necessity, on large scale counterinsurgency operations in Iraq and Afghanistan – DOD began embarking on a major strategy shift to sustain our lead in full-spectrum warfighting. While the basic elements of our resulting defense strategy remain valid, it's also been abundantly clear to me over the last year that the world has not stood still since then, the emergence of ISIL⁴ and the resurgence of Russia being just a couple of the examples.

This is reflective of a broader strategic transition underway, not unlike those we've seen in history following the end of other major wars. Today's security environment is dramatically different from the one we've been engaged in for the past 25 years, and it requires new ways of thinking and new ways of acting.

I've talked with President Obama about this a great deal over the past year. And as a result, we have five, in our minds, evolving challenges that have driven the focus of the Defense Department's planning and budgeting this year.

⁴ ISIL is the Islamic State of Iraq and the Levant.

Two of these challenges reflect a return to great power of competition.

First is in Europe, where we're taking a strong and balanced approach to deter Russian aggression. And we haven't had to worry about this for 25 years. While I wish it were otherwise, now we do.

Second is in the Asia-Pacific, where China is rising, and where we're continuing and will continue our rebalance, so-called, to maintain the stability in the region that we have underwritten for 70 years, and that's allowed so many nations to rise and prosper and win. That's been our presence.

Third challenge is North Korea, a hardy perennial – [laughter] – a threat to both us and to our allies. And that's why our forces on the Korean Peninsula remain ready every single day – today, tomorrow – to, as we call it, fight tonight.

Iran is the fourth challenge, because while the nuclear deal was a good deal and doesn't limit us in the Defense Department in any way – none of its provisions affect us or limit us – we still have to counter Iran's malign influence against our friends and allies in the region, especially Israel.

And challenge number five is our ongoing fight to defeat terrorism and especially ISIL, most immediately in its parent tumor in Iraq and Syria, and also where it is metastasizing in Afghanistan, Africa, and elsewhere. All the while, we're protecting our homeland and our people. While ISIL must and will be defeated now, in the longer perspective we must also take into account in our budget that as destructive power of greater and greater magnitude falls into the hands of smaller and smaller and more aberrant groups of people, countering terrorists will likely be a continuing part of the future responsibilities of defense and national security leaders as far into the future as I can see.

DOD must and will address all five of those challenges as part of its mission to defend our people and defend our country. Doing so requires some new thinking on our part, new posture in some regions, and also new and enhanced capabilities. For example, as we confront these five challenges, we'll now have to deal with them across all domains – not just the usual air, land, and sea, but also particularly in the areas of cyber, space, and electronic warfare, where our reliance on technology has given us great strengths, but also led to vulnerabilities that adversaries are eager to exploit.

Key to our approach is being able to deter our most advanced competitors. We must have, and be seen to have, the ability to impose unacceptable costs on an advanced aggressor that will either dissuade them from taking provocative action or make them deeply regret it if they do. To be clear, the U.S. military will fight very differently in coming years than we have in Iraq and Afghanistan, or in the rest of the world's recent memory. We will be prepared for a high-end enemy. That's what we call full spectrum. In our budget, our plans, our capabilities and our actions, we must demonstrate to

potential foes that if they start a war, we have the capability to win, because a force that can deter conflict must show that it can dominate a conflict.

In this context, Russia and China are our most stressing competitors. They have developed and are continuing to advance military systems that seek to threaten our advantages in specific areas. And in some cases, they're developing weapons and ways of war that seek to achieve their objectives rapidly – before, they hope, we can respond. Because of this, and because of their actions to date from Ukraine to the South China Sea, DOD has elevated their importance in our defense planning and budgeting. While we do not desire conflict of any kind with either of these nations – and let me be clear: though they pose similar defense challenges, they're otherwise very different nations and situations – we also cannot blind ourselves to the actions they appear to choose to pursue.

Let me now highlight some new investments we're making in this budget to address both near-term challenges – I'll start with the near-term challenges, and begin there with our campaign to deliver a lasting defeat to ISIL.

As I said a couple of weeks ago at Fort Campbell, Kentucky, and in Paris a week and a half ago, and as I'll reiterate when I meet with my coalition counterparts in Brussels next week, we must and we will defeat ISIL. Because we're accelerating the campaign, DOD is backing that up – and we need to back it up – in our budget, with a total of \$7 ½ billion more in 2017, 50 percent more than in 2016. This will be critical as our updated coalition military campaign plan kicks in.

For example, we've recently been hitting ISIL with so many GPS⁵-guided smart bombs and laser-guided rockets that we're starting to run low on the ones that we use against terrorists the most. So we're investing \$1.8 billion in FY '17 to buy over 45,000 more of them.

We're also investing to maintain more of our fourth-generation fighter and attack jets than we previously planned, including the A-10, which has been devastating to ISIL from the air. The budget defers the A-10's final retirement until 2022, replacing it with F-35 Joint Strike Fighters on a squadron-by-squadron basis, so we'll always have enough aircraft for today's conflicts.

Another near-term investment in the budget is how we're reinforcing our posture in Europe to support our NATO⁶ allies in the face of Russia's aggression. In Pentagon parlance, this is called the European Reassurance Initiative. And after requesting about \$800 million for last year, this year we're more than quadrupling it, for a total of \$3.4 billion in 2017.

That'll fund a lot of things: more rotational U.S. forces in Europe, more training and exercising with our allies, more pre-positioned warfighting gear, and infrastructure

⁵ GPS is Global Positioning System.

⁶ NATO is North Atlantic Treaty Organization.

improvements to support all this. And, when combined with U.S. forces already in and assigned to Europe, which are also substantial, all of this together by the end of 2017 will let us rapidly form a highly-capable combined-arms ground force that can respond across that theater, if necessary.

And as you can imagine, the budget also makes important investments in new technologies. We have to do this to stay ahead of future threats in a changing world as other nations try to catch up with the advantages we've enjoyed for decades in areas like precision-guided munitions, stealth, cyber, and space.

Some of these investments are long-term, and I'll get to them in a moment. But to help maintain our advantages now, DOD has an office that we don't often talk about, but I want to highlight today. It's called the Strategic Capabilities Office, or SCO for short.

I created the SCO in 2012, when I was Deputy Secretary of Defense, to help us to re-imagine existing DOD and intelligence community and commercial systems by giving them new roles and game-changing capabilities to confound potential enemies. The emphasis here was on rapidity of fielding, not 10- and 15-year programs – getting stuff in the field quickly. We need to make long-term investments as well. I'll get to them in a moment, but the focus here was to keep up with the pace of the world.

I picked a talented physicist – also, by the way, a Rhodes Scholar – to lead it. SCO is incredibly innovative, but it also has the rare virtue of rapid development, and the even rarer virtue of keeping current capabilities viable for as long as possible. In other words, it tries to build on what we have – smart. So it's good for the troops. It's good for the taxpayers, too.

Thinking differently in this way, as is well-known in U.S. defense history, put us in space, our country on the moon, computers in pockets, information at the fingertips, all that – taking airplanes off of the decks of ships, nuclear submarines beneath the seas, satellite networks that take pictures of the world, all those things. This kind of bold and innovative thinking can't be lost to history. It's happening now, every day, not only in SCO but in other places throughout the Department of Defense, like our dozens of laboratories and engineering centers, located all over the country. As we drive this work forward the budget grows our research and development accounts, for the second year in a row, investing a total of \$71.4 billion in R&D in 2017, a number that no other institution in the United States or the world comes close to.

And to show the return we're getting on those investments, I'll tell you about a few projects in the SCO that it's been working on and that are funded in this budget. Some of them you may have heard of, but my guess is some of them you have not, and I know that some of them we're talking about for the very first time here.

First is a project focused on advanced navigation. What the SCO's doing is taking the same kinds of micro cameras, sensors, MEMS⁷ and so forth that are littered

⁷ MEMS is Micrometromechanical systems.

throughout our smartphones and everything today and putting them on our small-diameter bombs (SDB) to augment the existing target capabilities on the SDB. This will eventually be a modular kit that will work with many other payloads, enabling off-network targeting through commercial components small enough to hold in your hand, like your phone, and cheap enough to own, like your phone.

Another project uses swarming autonomous vehicles in all sorts of ways and in multiple domains. In the air, they have developed micro drones that are really fast, really resistant. They can fly through heavy winds and be kicked out the back of a fighter jet moving at Mach 0.9, like they did during an operational exercise in Alaska last year. Or they can be thrown into the air by a soldier in the middle of the Iraqi desert. And for the water, they've developed self-driving boats which can network together to do all kinds of missions, from fleet defense to close-in surveillance, without putting sailors at risk. Each one of these leverages the wider world of technology. For example, the micro drones I mentioned a moment ago use a lot of commercial components and are actually 3-D printed, and the boats build on some of the same artificial intelligence algorithms that long ago and in a much more primitive form were on the Mars lander.

They've also got a project on gun-based missile defense, where we're taking some of the same hypervelocity smart projectiles that we've developed for the electromagnetic gun – that's the railgun – and using it for point defense by firing it with artillery we already have in our inventory, including the five-inch guns on the front of every Navy destroyer and also the hundreds of Army Paladin self-propelled howitzers. In this way, instead of spending more money on more expensive interceptors or on new platforms, we can turn past offense into future defense, defeating incoming missile raids at a much lower cost per round and thereby imposing higher costs on an attacker. In fact, we tested the first shots of the hypervelocity projectile out of a Paladin a little over a month ago. And we also found that it significantly increases the Paladin's range.

And the last project I want to highlight is one that we're calling the arsenal plane, which takes one of our oldest aircraft platforms and turns it into a flying launch pad for all sorts of different conventional payloads. In practice, the arsenal plane will function as a very large airborne magazine, networked to fifth-generation aircraft that act as forward sensor and targeting nodes, essentially combining different systems already in our inventory to create wholly new capabilities. So these are just a few examples of what the SCO has done so far, and they're working on a lot more.

Now, there are many other areas where we're driving smart and essential technological innovation in the budget to stay ahead of future threats over the long-term and keep our military in the decades ahead the best in the world, the first with the most, bar none. One of these is undersea capabilities, where we continue to dominate and where the budget invests over \$8.1 billion in 2017 and more than \$40 billion over the next five years to give us the most lethal undersea and anti-submarine force in the world.

It buys more advanced payloads and munitions, like better torpedoes and unmanned undersea vehicles. It buys more advanced maritime control aircraft. And it

not only buys nine of our most advanced Virginia-class attack submarines over the next five years, it also equips more of them with the versatile Virginia payload module, which triples each submarine's platform strike capacity from 12 Tomahawk missiles to 40.

Now, budgets often require tradeoffs, which all of you in your own domains are very familiar with. So where tradeoffs among force structure, modernization, and readiness posture needed to be made, we generally pushed to favor the latter two. This is important, because our military has to have the agility and ability to win not only the wars that could happen today, but also the wars that could happen in the future.

To put more money in submarines, Navy fighter jets and a lot of other important areas, one tradeoff we made was to buy only as many littoral combat ships as we really need. This is part of a broader effort in our budget to focus the Navy on having greater lethality and capability that can turn deter and defeat even the most high-end future threats. I'll be discussing this further tomorrow in San Diego when I visit some of our Navy surface warfare sailors.

We're also investing more in cyber, totaling nearly \$7 billion in 2017, and almost \$35 billion over the next five years. Among other things, this will help to further DOD's network defenses, which is critical; build more training ranges for our cyber warriors; and also develop cyber tools and infrastructure needed to provide offensive cyber options.

I also want to mention space, because while at times in the past space was seen as a sanctuary, new and emerging threats make clear that that's not the case anymore. And we must be prepared for the possibility of a conflict that extends in space. Last year we added over \$5 billion in new investments to make us better postured for that. And then in 2017 we're doing even more, enhancing our ability to identify, attribute, and negate all threatening actions in space.

With so many commercial space endeavors, we want this domain to be just like the oceans and the Internet, free and safe for all. There are some in this world who don't want that to happen, who see America's dominance in these and other areas and want to take that away from us in the future so that we can't operate effectively around the globe. So we're not waiting to invest until the threats are fully realized. We're investing now so we stay ahead of them.

Now, of course, pioneering and dominating technological frontiers is just one way that our budget seizes its opportunities for the future. We're also innovating operationally, making our contingency plans and operations more flexible and dynamic, from Europe to the Asia-Pacific. And we're investing to build the force of the future, as I call it – the all-volunteer force of the future, because as good as our technology is, it's nothing compared to our people. Our people are the reason we have the finest fighting force the world has ever known. And we have to ensure that the talent we recruit and retain generations from now, is just as good as the excellent people we have today.

I made several announcements over the last few months to help to do that. We're opening all remaining combat positions to women, very simply so that we have access to 50 percent of our population for the all-volunteer force. And every American who can meet our exacting standards – and that's important – will have the equal opportunity to contribute to our mission.

We're also implementing several new initiatives to improve and modernize our personnel management systems to create what I call on-ramps and off-ramps that allow more people inside and outside DOD to engage with and contribute to our mission. People outside defense to come in for a while, maybe not for career, for a few years, and contribute to the most consequential mission that a human being can contribute to, and our own people to get out and learn about how the rest of the world works and make sure that they're up to date and up to speed. I've emphasized this, both in Silicon Valley and in our Boston technology hub.

And we're strengthening the support we provide to our military families to improve their quality of life, the emphasis here being on retention of excellent people, and, where we can, making it possible for them to reconcile the needs of having a family with our needs of military service. Not always possible to reconcile, but we're making an effort where we can, consistent with the profession of arms and our needs. There'll be more to come along this line.

Now, having told you about the budget, and particularly talking to an audience like this, I need to say something also about how we're reforming the DOD enterprise to make us more efficient. I can't come before a group like this and ask for the amount of money that I believe we need for our defense, unless I can also satisfy you that we're spending it in the best possible way. Just like you have your shareholders, we have our taxpayers. And we owe it to them to ensure that we're doing everything we can to spend our defense dollars as wisely and responsibly as possible.

That's why, along with our budget, we are keeping our focus on, for example, acquisition reform, where we are already starting to see results from our better buying power initiatives and we're looking to do more and get better. We're also doing more to reduce overhead, which we expect to help provide us more than \$8 billion over the next five years – \$8 billion that we can use elsewhere for real capability and not overhead. And we're looking at reforms to the Goldwater-Nichols Act, the famous act of the 1980s, that defines much of DOD's institutional organization. On this last point, we've been doing a thorough review for the past several months, and I expect to begin receiving recommendations on that in coming weeks and making decisions.

Let me close by touching on the broader shift that is reflected in this budget. For a long time, DOD tended to focus and plan and prepare for whatever big war people thought was coming over the horizon, at one point becoming so bad that after a while it started to come at the expense of current conflicts – long-term at the expense of the here-and-now. Thankfully, we were able to realize that over the decade, correct it, and turn our attention to the fights we were in. We had to do that.

The difference is, while that kind of singular focus may have made sense when we were facing off against the Soviets or sending hundreds of thousands of troops to Iraq and Afghanistan, it won't work for the world we live in today. Now we have to think and do a lot of different things about a lot of challenges at the same time. Sad to say, but true. Not just ISIL and other terrorist groups, but also competitors like Russia and China, and threats like North Korea and Iran. We don't have the luxury of just one opponent or the choice between current fights and future fights. We have to do both. And that's what this budget is designed to do.

When this forum we're in now was founded 30 years ago, its inaugural speaker declared that America's best days should still lie ahead. With this budget, and with our magnificent men and women of the Department of Defense, they will. Our best years will lie ahead as those men and women of the Department of Defense continue to defend our country, help make a better world for our children. Thank you. [Applause.]

CONVERSATION WITH PRESIDENT RUBENSTEIN

MR. RUBENSTEIN: In introducing you, I neglected to say that when you were in high school you were a lacrosse player, a cross-country runner, a football player, and also basketball. How did you manage to do all those sports?

SECRETARY CARTER: Well, I always did a sport in each of the three seasons, and then I did swimming and diving in the summer. Plus, I always had a job at night. I always worked at night – fishing boat, gas station, hospital orderly. I was a busy guy. But I couldn't do all the sports you named at the same time. So when people got a lot bigger – taller than I did, I gave up basketball. I started wrestling. When they got beefier than I did, I gave up football and started to run cross-country. And lacrosse is one of those things that if you're pretty good at everything you can be really good at lacrosse – if you're pretty dexterous and you're pretty fast and you have pretty good endurance and you're pretty tough, but you're not a big football player or a tall basketball player or something, you can do – it's a good sport for you.

MR. RUBENSTEIN: So when you're the Secretary of Defense you have all the military under you. They're in pretty good shape. You have to stay in shape. What do you do to stay in shape? You look like you're in pretty good shape.

SECRETARY CARTER: I try to work out whenever I can – really, every day if I can. I drive everybody crazy, although I think people really like it. I walk a lot – one of the nice things about working in the Pentagon is it's – [Applause, laughter] – well, it's got these great big hallways. And I go out and I walk around and I talk to people and you kind of do a little bit of management by walking around.

MR. RUBENSTEIN: Do you just walk into somebody's office and surprise them?

SECRETARY CARTER: Yes. See, when you get to the top everybody comes to you. [Laughter.] So you can sit there all day and not move. And if I worked at a smaller office building, I don't know – I mean, nobody has a building as big as the Pentagon – I think I'd go nuts, because I really like to get out and move around.

MR. RUBENSTEIN: OK. So let's talk about the budget for a moment. Is it harder to negotiate the budget with your service chiefs or with OMB⁸? What's harder? [Laughter.]

SECRETARY CARTER: Well, I got to say, OMB by tradition is not totally but quite deferential to professional military and DOD advice. So we get a lot of latitude, I would say, compared to the civil agencies. Within the department, we have a process that's gone back for a long time. But you know, it really makes the best use of the uniformed and the civilian leadership. I was Under Secretary, as you mentioned, for acquisition, technology, and logistics. And whenever a decision was made above me, I always said, gee, I wish somebody asked the person who has to carry that out.

So I believe in involving the people who have to carry out these decisions and execute these budgets in the decision making. So I'm very inclusive in that regard. And I think we have, you know, excellent professional military judgment in all of our services. And that's all reflected in this budget. This is what these people who do this for a living and have for many decades think is the best way to spend this money. And I have a lot of respect for their judgement.

MR. RUBENSTEIN: All right. The defense budget the President's going to propose is \$582 billion, more or less. So suppose Congress says, we really think you need more. What would you do? You'd resist that? You won't take that money?

SECRETARY CARTER: Well, they didn't, no, say that. [Laughter.] I mean, look, the budget that we have reflects the bipartisan budget deal of this year, for which I am grateful, and I'll tell you why. We have started every fiscal year for six years, David, with a continuing resolution. Most people in this room know how debilitating that is, how inefficient it is. It's dispiriting to our troops. They say, hey, what the hell's going on here. Foreigners, I mean, other countries, look and say, hey, what's going on with you guys? Can't you get your act together? So it's very important that we not be herky-jerky proceeding.

And it was only a two-year budget deal. I would have liked something longer than that. But it was what I had hoped for, and was speaking about since I became Secretary of Defense, which was a coming together in Washington, end of gridlock. And what that means, to your question, did I get everything I want? No. But I think that's the definition of people coming together and compromising, is everybody walked away without having everything they wanted. That said, with the money we have, the shape is what matters. And we've been working on the shape within the size that the bipartisan deal gave us.

⁸ OMB is the Office of Management and Budget.

MR. RUBENSTEIN: For many years we've had a dual budget for defense. We've had the regular budget, and then we've had a so-called OCO⁹ account where it was for the war. And is the new budget agreement such that you can't get more money for OCO, and 582 is including of that?

SECRETARY CARTER: It is – 582 does include OCO. And the budget deal did take account of both. Let me tell you why the theory of OCO is a good one. The theory of OCO – I'm sorry, OCO is overseas contingency operations funding, so-called wartime funding. But it is funding that is intended to cover the variable costs of operations that go up and down in the course of a year. The base budget funds the enduring military that'll be here 10 years, 20 years down the road. And if you think about it, David, think about hurricanes for a prosaic example.

But, you know, a major hurricane occurs about every three years. And we're asked to respond. So you can have us do that in two ways. You can give us the money every year, and we'll spend it. Or you can give us the money when the hurricane occurs and we'll spend it then. That's obviously more efficient. So it makes sense to have variable costs in the budget. That's what OCO does.

MR. RUBENSTEIN: All right. Sometimes there are leaks from the Pentagon. You probably are familiar with that. [Laughter.] Something that's been leaked, that the Navy would like to have a few more ships. And I think you've cut the number down to about 40 littoral ships, and they wanted maybe more. So suppose they go to Capitol Hill and try to get more, will you resist those, or?

SECRETARY CARTER: Well, I'm going to argue for what we, including the Navy, think is the best balance. And by the way, the size of the Navy is increasing. We're going to go up to 308 ships.

MR. RUBENSTEIN: What do we have now, 280 or so?

SECRETARY CARTER: Yes, exactly. That's exactly right, 278 actually. We are increasing the size of the Navy. But what's really important in this year is to include the increase in the lethality of each ship. And so we're emphasizing that. And we're also emphasizing undersea. So, yes, we had to make tradeoffs. In each of the services you make tradeoffs, as I said, amongst force structure, capability, investment, and readiness. All three of those are important. And we only have so many dollars we have to balance.

MR. RUBENSTEIN: Right. There's one ship that you're building. It's a new Gerald Ford-class aircraft carrier that supposedly will cost as much as \$15 billion for one ship. How did one ship get to be so expensive? And are you going to build more of those?

SECRETARY CARTER: Well, we are. I'm sure we'll build more aircraft carriers in the future. We're not going to build them in the way that that was built. That's an example –

⁹ OCO is overseas contingency operations funding, so-called wartime funding.

I talked about the need for discipline. That is a program that was undisciplined. We're trying to wrestle that one into shape, but I'm not going to try to justify the history of the Ford-class carrier of the past 15 years or so. We have been trying – I started when I was AT&L to get that program under control.

And by the way, a lot of our programs, we are getting under control now and the figures reflect that. But we've got to do more. It's important because – not only for efficiency's sake, but for the confidence of our business community and our political leaders and our people. They say, hey look, we're giving you, you know, this much money for defense. We need to see that you're using it well. And when we have an example of that, where there's a cost overrun of that magnitude, it casts into doubt the whole enterprise. It's not OK.

So to answer your question, I think, of course, we'll buy more aircraft carriers in the future. I'm supposing we will. But not that way.

MR. RUBENSTEIN: OK. On ISIL, do you expect it's likely for any possible way that you can see the U.S. government during the Obama Administration sending ground troops into the Syria-Iraq area to combat ISIL?

SECRETARY CARTER: Well, we are. I think we see that –

MR. RUBENSTEIN: Well, significant ground troops – 50,000, 100,000 – anything significant?

SECRETARY CARTER: Well, we're looking for a couple of things about that. Just to remind everybody, we have 3,700 boots on the ground in Iraq today. And we're looking to do more. We're looking for opportunities to do more. And to get to your question, we're not looking to substitute for local forces. We're looking to enable local forces. Why is that? It's because we not only have to beat ISIL, we have to keep them beaten. That is, there has to be somebody who sustains the defeat afterwards. We know what it's like when you don't have that force to sustain the defeat.

And so our strategic approach is to enable capable, motivated, local forces. They're hard to find in that part of the world, but they do exist. But do we have troops that are helping them? Yes. Are we – we're actually looking for opportunities to do more. So as we go north to Mosul from Ramadi, heat Mosul, we have to take Mosul, we have to take Raqqa. That'll prove that there is no such thing as an Islamic State based on this ideology. We need to take those two cities. You'll see us doing more. We've asked for more. And every time – every time the chairman and I have asked the President for more capability to do that, he said yes. And I expect that'll continue.

Oh, one other thing, David, which is it won't just be Americans. This is crucial. It's got to be the other members of our so-called coalition. A lot of them are doing – making considerable contributions to this. But some of them are not. And you really have to look at this. This is a fight of civilization, again, for its own survival. And we

need everybody. And that's all the Europeans, the Gulf states, which are doing – Turkey, which is right there on the border. So there are a lot that need to make more contributions. But are we going to do more? Yes, we're going to do more, because we've got to win.

MR. RUBENSTEIN: So in your coalition you have about 65 countries. But I think in Davos and other places, you've said that the other members of the coalition aren't doing very much. And what are you doing to encourage them to do more?

SECRETARY CARTER: Well, not all of them are in that category, but many of them are. And so what am I doing to encourage them? Well, next week I will be for much of the week in Europe. And I've asked the defense ministers – the first time ever, interestingly, since the campaign against ISIL began, that the defense ministers, not the foreign ministers, they've met before, but the defense ministers getting together. And what I'm going to do is sit down and say: Here is the campaign plan for – if you think in World War II newsreel picture terms, you think of an arrow going north to take Mosul, another arrow coming south to take Raqqa, and that's kind of a good mental picture of taking care of ISIL in Syria and Iraq.

Of course, then we've got other places in the world that we've got – it's necessary, not sufficient, but it's necessary to destroy ISIL in Iraq and Syria. And what I'm going to do with them is say, all right, here are all the capabilities that are needed: boots on the ground, airplanes in the air, more prosaic things, logistics, bridging, training, training for those police that are going to patrol cities like they're patrolling Ramadi now, once the cities are retaken. And I'm going to say, OK, guys, let's match up what is needed to when with what you have and kind of give everybody the opportunity to make an assignment for themselves.

This is important. The United States will lead this, and we're determined, but other people have to do their part. Again, because this really is, civilization has to fight for itself.

MR. RUBENSTEIN: Well, we've flown about 10,000 sorties over Iraq and Syria in this effort, but most of them have been from the United States. Is there anybody else actually flying and dropping bombs?

SECRETARY CARTER: Yes. Yes, others are flying and dropping bombs. And we're grateful for that. But there are other ones that are flying transport aircraft, that are flying tankers, that are flying AWACS aircraft, that are flying ISR¹⁰, reconnaissance planes. There are other guys – there are people doing training. The Brits, the Australians, a number of people besides us are doing training in Iraq and taking action in Syria. So I don't want to suggest that we're doing it all by ourselves. Now, there are some folks that are really doing amazing, courageous, creative, heroic work. But the reality is that we've got a coalition that is committed at the political level to defeat ISIL. And that needs to be

¹⁰ ISR is Intelligence, Surveillance, and Reconnaissance.

translated into the operational military contributions that they're making. That's what I'll be doing next week in Europe.

MR. RUBENSTEIN: So the Russians say they want to defeat ISIL, but their guided missiles don't seem to be going to the right places. [Laughter.] Is that because their technology is not as good as ours or something?

SECRETARY CARTER: Yes, no, that's so true. [Laughter.] And they did. They said they were going to go in and fight ISIL, and that's not what they did. That would be welcome if they did it, but it's not what they're doing. In the main, what they're doing is propping up Assad. And so this is wrongheaded in two ways. It's wrongheaded in the sense that it's not doing what needs to be done. Remember, they have a threat from ISIL too, in the Caucasus and so forth. I mean, you see ISIL is going after the Russians too. So it's serious business for them, as it is for us and the rest of the civilized world.

MR. RUBENSTEIN: So when they're flying around and we're flying around, how do you coordinate? Because you know what they're doing, or?

SECRETARY CARTER: Well, we've worked that out. We have a memorandum of understanding. We talk at the working level and make sure that we have safety of flight. And they're behaving very professionally in that regard. But what they need to do, and I don't know whether they'll do that, is get on a different strategic track. And that would be one where they help us to make the transition in Syria that has to occur to end the civil war there and get a decent life for people there again.

And that means without having the whole state of Syria collapse and all the state structures go away, without the person of Bashar Assad, who is a lightning rod for the civil war, but a transition where the state structures, as the Russians say, survive and the moderate opposition and those state structures combine to make a government of Syria that can run the place on some decent principles, and then help us turn against ISIL. That's what they should be doing. But they got off on the wrong foot. I think they have a self-defeating strategy. I don't know how long it'll take them to realize that.

MR. RUBENSTEIN: Well, speaking of the Russians, on Ukraine. It's been reported that we're training in the United States Ukrainian soldiers and sending them back now. And do you expect to have more conflict there?

SECRETARY CARTER: We actually train them in Ukraine, mostly. And we send equipment and so forth. And it's hard to say. Obviously, while we're watching the Russians' activities in the Middle East, we're not taking our eye off of Ukraine. And I mentioned that we're making investments in Europe, supporting our NATO structure in Europe, and also supporting the Ukrainians, militarily and in other ways as well.

MR. RUBENSTEIN: Do you expect much more conflict in the near future?

SECRETARY CARTER: It's hard to say whether – the Minsk Accords are not being implemented to the letter. At the same time, the level of violence is lower than it has been. I certainly hope it stays that way. And the Minsk Accords is the right way to go to kind of settle things down there. But don't forget, David, even if things settle down and Minsk is implemented, Crimea was still annexed. And so you've got to look at this conduct by Russia, and the rest of the Europeans do as well, and say this is an unwelcome development in European history.

As I said in the speech, it's been a quarter century since we've had to be preoccupied with that. But unfortunately, it looks like now that we do. I wish it were otherwise, but both Ukraine and in NATO¹¹ we're going to have to help countries to harden themselves against Russian influence, including the little green men phenomenon, and also mount, as we did in decades past, a staunch defense of our NATO allies.

MR. RUBENSTEIN: So on Afghanistan, before you leave office, the Obama Administration is over, would you expect that we'll still have 8,000 to 10,000 soldiers there?

SECRETARY CARTER: Well, the plan is to have 9,800 through the end of the year. That's our current plan. Obviously, we adjust plans. The President adjusted these plans in October. The thing to look for in this coming up season is the growing capability of the Afghan security force. Remember, the whole deal here is over a period of time – it's not going to end by the end of this year. We have a plan to stay with it. The budget I described, I should have said this, and the budget contains full funding for the Afghan security forces. Remember, that's the key. They're supposed to be increasingly able to take over their own security.

So in this season coming up, you watch whether they are using operational mobility more than they did in this last fighting season, whether they'll have now fixed-wing aircraft. We just delivered A-29s to them, rotary wing aircraft – all these capabilities that they didn't have last season they'll have this season. And you hope that that will – hope, and that's the plan, is to have that strengthen their hand against the Taliban. But full self-sufficiency is years away. Everybody knows that.

MR. RUBENSTEIN: So you mentioned North Korea as one of your favorite subjects in your speech. Did the North Koreans explode a hydrogen bomb recently?

SECRETARY CARTER: I don't think that they were as successful as they may have claimed. We don't know that fully, and I don't want to go any further than that. But I – so that's the story.

MR. RUBENSTEIN: OK.

SECRETARY CARTER: But don't take any consolation from that, because nuclear weapons in the hands of North Korea, particularly coupled with ballistic missiles,

¹¹ NATO is North Atlantic Treaty Organization.

coupled with their – how do I say this – odd demeanor – [laughter] – and position right there on the DMZ¹², that's a really serious combination. They're not in the headlines a lot, but we, as I said, never take our eye off that. Every single day we're watching that DMZ.

MR. RUBENSTEIN: You famously wrote an article with Bill Perry when you were not in government saying that maybe a preemptive strike against an ICBM¹³ or other missile capabilities of the North Koreans would be something that you actually consider. Do you still have that view?

SECRETARY CARTER: Well, that was a different circumstance then. It was a test launch, a missile. And our policy was that we were not to tolerate it. And we were trying to figure out how to not tolerate it. So that was then. And now is now. But for now, the nuclear program of North Korea is a serious concern. Their ballistic missiles are serious concern. The size of their force, positioned right there on the DMZ, and the size of their special forces which they work on quite hard. In every way, they're serious business. And I just got to remind you, war on the Korean Peninsula we will win. No question about it. But it is a very, very savage and intense war. So it's not – it's not something that – not an area where you want deterrence to fail. But deterrence has to be incredibly strong there. Every day we need to do it.

MR. RUBENSTEIN: Now, the Chinese seem to be building islands in the South China Sea. Are we going to just let them do that, or are we going to – do you think they're going to use it for military purposes? Are we going to send our ships nearby?

SECRETARY CARTER: Well, they are. They are and we're reacting. We have to react. By the way, it's true that they're not the only ones that are doing this. Therefore, our formal position as a matter of these claims in the South China Sea is that we, the United States, don't adjudicate those claims. What we do want is everybody to stop land reclamation and stop militarization. What the effect, the one you just described, namely is we're going to keep doing what we've always done, what we've done for 70 years. We're going to fly and sail and operate where international law permits – period. And we demonstrate that, and that won't stop.

But second, we're making all these investments that you see in our defense budget that are specifically oriented towards the checking, the development of the Chinese military. Third, they're having the effect – and I don't know when this will dawn on them – of causing widespread concern in the region, which makes others react, including others react by joining up with us. So I'll give you a few examples. Vietnam, for example – I was in Vietnam a few months ago – very eager to work with us on maritime security – Vietnam. And then good old friends of the – that you're very familiar with – Australia, the Philippines, you've probably noticed that Japan is a rising military power in the Pacific and close long-time friend of the United States.

¹² DMZ is demilitarized zone.

¹³ ICBM is intercontinental ballistic missile.

So all around the region people are reacting. And the Chinese are, with this kind of stuff, going to get people to react and compensate. But more importantly, it's self-isolating behavior. I don't know when they'll realize that, whether they will realize that, but it's not the American approach to have a cold war there, to carve up the region, to divide. We're not trying to stop the Chinese from doing what they're doing.

And look at what the United States has brought to the Asia-Pacific region over the last 70 years – the most rapidly growing region, economically, in the world. It's been the peace and stability there that we underwrote that's allowed first Japan to rise, then South Korea, then Taiwan, then Southeast Asia, now China and India. That's what we've stood for, and they've benefitted from that. So to disrupt the security environment where half of humanity lives and half of humanity's economic behavior is, is not a good idea on their part. But certainly for our part, we intend to continue our strong role there.

MR. RUBENSTEIN: Before you leave office, do you think Guantanamo will be closed?

SECRETARY CARTER: Don't know. I've been completely unabashed about this. I would like to see Guantanamo closed. I think, on balance, it would be good for us. But here, David, is the issue: There are people in that detention facility that, there's no other way to say this, have to be detained. There's no way that I can safely have them transferred somewhere else. And so the answer to your question is, can it be closed safely? For us to do that, we have to find another place to detain the people who must be detained.

Now, at the moment, it's against the law to establish another detention facility. Some in Congress have indicated a willingness to consider the proposal to build an alternative facility. We have such a proposal. And we'll see whether we get the support for it. This is something that I just would rather not leave to my successor, the job of this detention business, and to the next President. But I don't know whether we will get it done this year. But it's not something that – to do it the way I've described, we need the help and support of Congress. I hope we're getting it. I'm working on it. I think it would be a good thing for the country, on balance.

MR. RUBENSTEIN: How damaging were the Snowden revelations? And has it made it difficult for you to work with Silicon Valley firms?

SECRETARY CARTER: Well, yes, no question it was damaging. It was damaging, first, to our security, in compromising important secrets, to our foreign policy and relations around the world, but critically to our industry. And, yes, it created some distrust, which I'm working very hard to try to overcome, not by preaching to people and not by – but trying to work through issues. But also, you know, for our companies, it has put them – it has been used as a – essentially a guise for protectionism by some competitors to American companies, no question about it. So it has put – and Edward Snowden has actually put our companies at a disadvantage, to the point where some countries – from whom it is wild to hear such a claim – are saying, oh, store your data in our country, it'll be safer there. And you go, oh, really? Safer than here?

But this is – you know, I’m intent upon building bridges for all kinds – bridges of trust. When I was started out in this business, and was a physicist, everybody, David, in the generation older than me that brought me up, so to speak, they were all like the Manhattan Project people and so forth. They had a reflex that it was an important duty to use your knowledge for good, and in service of the public good. Now, I can’t expect that from everybody today. Not as big a fraction of our young people have the experience of closeness to government and the military. And that’s why I’m trying to reach out to people and make them familiar with what we’re doing, give them a user-friendly way to make a contribution.

I do find that people out in Silicon Valley and all in our innovative community, David, and I really need to say this, these are people who are where they are because they like to do things of consequence. They see that defending our country and defending our world is something of consequence. And so the mission does grab them. They get it. I mean, they look at ISIL and they look at all, and these problems I’ve talked about, Russia and China, and so on. And they all understand. This is a serious matter. We have to defend ourselves. But I need to meet them halfway, listen to them, and find a way in this very different age from when I started, where a young person can see their way to contributing to the greater – I mean, what’s better than waking up in the morning and being part of something bigger than yourself? That’s what they get.

MR. RUBENSTEIN: So you’ve in effect now said that women can be in all combat parts of our military force. The Marines were not thrilled with that, I think. You just overruled them, or how’d that work?

SECRETARY CARTER: Well, the Marines raised some issues, which we have to address, that we are addressing in implementation, that didn’t make me say we’re not going to do it, but it made me say – and if you read my statement – I’m working right now on the implementation – this is serious – simply declaring things open is not effective implementation. There are real issues here. And we’re working through those issues.

And so it was important to them, for example, that I say, and I did, that the way we implemented this was going to be important, that standards were not going to be relaxed, that there would be no quotas. This was about creating the opportunity. But I couldn’t make it so that women would be able to satisfy those standards in the numbers that men – so there’s a lot that still needs to be done here.

So I thought they raised some very important considerations. And we’re addressing those in implementation. But for the Army and the Navy and the Air Force and our special operations commander, they all recommended no additional restrictions. They also gave me their reasoning. And I took all this reasoning together, put it together, and said what I said, which is this is the right decision, but we have to implement it carefully. Standards are important. Don’t expect quotas.

So we're going to do it in a serious, professional way, like, by the way – and I'm not saying this about me, I'm saying it about the Department of Defense – I'm so proud of a place like that, that is a learning, adapting organization. They take on things. We took on counterinsurgency, for example – this was before my time, right? A brand-new form of warfare. And mastered it. You may not have liked the circumstances, I'm not trying to say that, but we got really good at it. So this is a place that takes on a mission and then very carefully, very deliberately, very professionally works it through. And we'll do that. We'll do that for this. I'm completely confident.

MR. RUBENSTEIN: So you have a Ph.D. in theoretical physics. And you're a *summa cum laude* graduate in physics and medieval history from Yale. When you deal with Members of Congress, are they often on the same intellectual plane that you are, and is that hard for you to – [Laughter, applause] – how do you deal with that?

SECRETARY CARTER: Yes, sure, sure. Well, the joke that everybody tells me, not this Congress specifically in mind, is that I have finally – you know, they were two completely separate majors. They were kind of a right brain/left brain kind of thing. I liked them both. But people now say I now work in the field that is the perfect union of medieval history and physics. [Laughter.] But you know, for Congress, I'm going to say something that may surprise you. I find that the great majority of Members of Congress that I interact with are really serious, thoughtful, want to do the right thing. They sometimes find themselves in a situation where they can't find a way to do the right thing.

And I think that's frustrating for a lot of them. That's why when they do come together behind this budget deal and so forth, I think it's a huge triumph. And the folks who did that, who despite all odds sat down, worked it out the old-fashioned way in Congress, I really think deserve a lot of credit. It wasn't everything everybody wanted. It wasn't everything I wanted. It wasn't forever, it's only for two years. But that's the way things ought to be done. You can't just pound your spoon on your highchair in this country and get what you want. [Laughter.] I can't do that as Secretary of Defense. I've got to work with other people.

MR. RUBENSTEIN: So final question: What's the best part about being Secretary of Defense?

SECRETARY CARTER: The troops, absolutely. It's being among the people. That's what lifts you up every time. And you look at them and you say – and it's just – it's incredible. My wife works, so she can't spend a lot of time doing things, but when she does she loves the troops and their families. These are fantastic people. And that's by far, to me, the best part.

MR. RUBENSTEIN: And the worst part, I should say, is having to write the letters to families?

SECRETARY CARTER: Yes. No, you never get used to the loss. You know, and, gee, I've been at this now seven years. And fortunately the numbers are less than they were when I came in, but that never stops being hard.

MR. RUBENSTEIN: Thank you very much for your service to our country.

SECRETARY CARTER: Thank you for having me. I appreciate it. [Applause.]

Ashton B. Carter



Ashton B. Carter is the 25th Secretary of Defense of the United States. Secretary Carter has spent more than three decades leveraging his knowledge of science and technology, global strategy, and policy as well as his deep dedication to the men and women of the Department of Defense to make our Nation and the world a safer place. He has done so in direct and indirect service of eleven Secretaries of Defense in both Democratic and Republican Administrations. Whether in government, academia, or the private sector, Secretary Carter has been guided by pragmatism and his belief in the boundless

opportunities of the United States, and has worked tirelessly to contribute to the ideas, policies, and innovations that assure our global leadership. Secretary Carter was Deputy

Secretary of Defense from 2011 to 2013, serving as DOD's chief operating officer, overseeing the Department's annual budget and its over three million civilian and military personnel, steering strategy and budget through the turmoil of sequester and ensuring the future of the force and institutional best practices. From 2009 to 2011, he was Under Secretary of Defense for Acquisition, Technology, and Logistics (ATL) with responsibility for DOD's procurement reform and innovation agenda and successful completion of key procurements like the KC-46 tanker. In this capacity, Secretary Carter also led the development and production of thousands of mine-resistant ambush-protected (MRAP) vehicles and other rapid acquisitions that saved countless service members' lives. Determined to get the most for both the warfighters and the taxpayer, Secretary Carter instituted "Better Buying Power" for the first time guiding the Department acquisition workforce to smarter and leaner purchasing.

From 1993-1996, he served as Assistant Secretary of Defense for International Security Policy, where he was responsible for – among other issues – strategic affairs, nuclear weapons policy, and the Nunn-Lugar program that removed nuclear weapons from Ukraine, Kazakhstan, and Belarus. Secretary Carter also served on the Defense Policy Board, the Defense Science Board, and the Secretary of State's International Security Advisory Board.

Outside of his government service, Secretary Carter was most recently a Distinguished Visiting Fellow at Stanford University's Hoover Institution and a lecturer at Stanford's Freeman Spogli Institute for International Studies. He also was a Senior Executive at the Markle Foundation, helping its Economic Future Initiative advance technology strategies to enable Americans to flourish in a networked global economy. Previously Secretary Carter served as a Senior Partner of Global Technology Partners focused on advising major investment firms in technology, and an advisor on global affairs to Goldman Sachs. At Harvard's Kennedy School, he was Professor of Science and International Affairs and Chair of the International & Global Affairs faculty. He served on the boards of the MITRE Corporation, Mitretek Systems, and Lincoln Laboratories at the Massachusetts Institute of Technology (M.I.T.) and as a member of the Draper Laboratory Corporation. He was elected a Fellow of the American Academy of Arts and Sciences and is a member of the Council on Foreign Relations and the Aspen Strategy Group.

Secretary Carter earned his bachelor's degrees in physics and in medieval history, *summa cum laude*, at Yale University, where he was also elected to Phi Beta Kappa; and he received his doctorate in theoretical physics from Oxford University, where he was a Rhodes Scholar. He was a physics instructor at Oxford, a postdoctoral fellow at Rockefeller University and M.I.T., and an experimental research associate at Brookhaven and Fermilab National Laboratories.

For his government service, Secretary Carter has been awarded the Department of Defense Distinguished Service Medal, DOD's highest, on five separate occasions. He

received the Defense Intelligence Medal for his contributions to intelligence and the Joint Distinguished Service Medal from the Chairman and Joint Chiefs of Staff.

Secretary Carter is author or co-author of 11 books and more than 100 articles on physics, technology, national security, and management. A native of Philadelphia, he is married to Stephanie Carter and has two grown children.