

Mr. Stephen M. Carmel
Presentation
IFPA-Fletcher Conference

MR. STEPHEN M. CARMEL: Good afternoon, thank you for inviting me to this outstanding event. As a point of departure from my remarks, I'd like to start by referencing Admiral Morgan and Rear Admiral Mortoglio when they wrote their foundation article and proceedings on a thousand ship navy. They talked a lot about the necessity to engage the commercial shipping sector in that article. In fact, Admiral Mullen talked about that this morning, too. And then they go on to talk about the need to understand the environment so I'm going to focus my remarks on two key points there. First is the potential for the cooperation of the private industry, although I would probably phrase it more in the context of the opportunity foregone by failing to effectively co-opt the commercial shipping community in the effort. And then specifically what we bring to the table if we're allowed. We, and Maersk Line especially, want to participate. I've spoken to Admiral Morgan on this topic several times and I'm very encouraged that Admiral Morgan understands what we can offer, and more importantly what opportunity is lost by failing to engage us.

The very fact that I am here with such a distinguished panel indicates that many others also appreciate the potential that we bring. Perhaps the message is not diffused far enough, however, as most day to day tactical level discussions never really mention us, or even that we exist beyond being the object of the maritime strategy rather than being part of it. Perhaps I can move that ball here a little bit today.

Secondly, I'd like to address the aspect of understanding the nature of the threat which necessarily means understanding the environment, which is to a large extent us, the commercial shipping community. I would also offer that those two points, understanding the environment and commercial shipping participation in the maritime strategy

represents a point of interaction where the outcome is not completely clear. We have a very different world view than the Navy does, which is understandable considering our roles and missions and how they differ. But the differences in viewpoints need to be understood.

First, what we bring to the table. In a word, it is presence, overwhelming, persistent, global presence. We are out there in far larger numbers across more of the ocean than most appreciate. A few statistics will help bring that home, I think. First, let me note when I start, the Maersk shipping group, of which I work, is actually divided into four main entities; mine, Maersk Line Limited, which is the United States, and then there are other operating companies in Denmark, the U.K. and Singapore. When I use the word “we” I'm talking in the collective sense, unless I note otherwise.

The Maersk Global Shipping Group, a single company, has a fleet of over 1,000 ships of various types at sea right now, including container ships, tankers, LNGs, LPG, railroads and row packs. We have 120 vessels on order and take, on average, 40 new builds a year for delivery. Within that total is a fleet of 550 container ships, the largest has a length overall of 1,300 feet with a capacity well in excess of 11,000 TEU, you heard about that this morning, that's the *Emma*. Vast majority of those containers are inaccessible when the vessel is loaded, and I would like you to consider when you're thinking about things like external radiation monitoring and things like that, what it would mean. The ship is 22 bays wide, not 25. That still means you have to have a monitor that can see through 10 other loaded containers and down through 50 feet of water if you're looking for the bottom. Kind of a significant challenge, I would think.

Overall, our container fleet has operations in 300 ports around the world. We make 33,000 port calls a year. Every 15 minutes, 365 days a year, we are taking arrival somewhere. To be more specific, in sub-Saharan Africa, an area of great interest nowadays, we currently have regular service which means we're there all the time in 42 ports in 30 countries, which is basically every sub-Saharan African country except Somalia. We have 30 more inland operations offices in an additional 11 countries. So

we have Africa covered pretty well. This does not include the activities of our brethren in the oil and gas business, which also have a global maritime presence. And in fact, a very large operation in the Gulf of Guinea, an area of the world scarcely any discussion of global maritime security fails to bring up these days.

To put some context to the size of that fleet, and perhaps to begin to build a picture both of what we can offer and how big the maritime strategy challenge is, I would like to offer a couple of comparisons. And since any exercise in comparison can get bogged down in what is a relevant measure and that sort of thing, I'll borrow from Bob Work, a well respected expert on naval matters whom you're going to be hearing from later on in this conference. In testimony before the House Armed Services Committee in July of 2005, Mr. Work put the number of all surface combatants in the world greater than 2,000 tons displacement at the end of 2004 at 574 vessels. While Mr. Work developed that number to make a different point, I'll use it since it seems reasonable that this is the type of vessel that would be of most use in policing a deep sea maritime common theater where we can be the biggest help or the biggest challenge.

This means, then, that the total assets and the inventories of all the worlds navies combined available to implement the maritime strategy are less than our fleet alone. Anyone who follows us is probably not particularly surprised at that, so I'll mention our next biggest competitor in the shipping business, in the container shipping business anyway, Mediterranean Shipment Company. Mediterranean Shipment Company currently has 352 vessels at sea. Mediterranean Shipping, or MSC, the other MSC, is headquartered in Geneva, Switzerland, which means that a single company located in a small landlocked country in the Alps also puts to sea a bigger fleet than 60 percent of the combined navies in the world, and by the 2000 ton surface combatant metric, three times the size of the U.S. Navy. It is also a pretty good reminder that in today's globalized world what constitutes a maritime nation is a lot fuzzier than it used to be.

The domination of the global maritime commerce by commercial shipping is readily seen by going to the AMVER website and looking at the latest density report. AMVER, as

you might know, is a voluntary global partnership of seagoing interests working collectively for self preservation in the hostile sea environment and administered by the U.S. Coast Guard. The merchant shipping community is, in fact, used to working in partnerships and AMVER is a great example, having been saving lives at sea for 50 years. There are currently 17,000 ships from over 155 countries enrolled in AMVER and on any given day, there are 3,200 active voyages on the plot. Annually, AMVER tracks well over 100,000 voyages. The monthly density report divides up the ocean surface into one degree squares and reports the frequency for the month that any—that an AMVER participating vessels reported being in that patch.

While a common perception is commercial ships stick to densely traveled routes and the rest of the world is largely devoid of our presence, the AMVER density report will show you how wrong that perception is. There is, of course, high density routes where presence is almost continuous, but in fact very little of the ocean surface does not show at least some level of activity every month. The good news for the strategy, if we are an active participant in it, is that we are everywhere. The bad news for the strategy, if we only the object of it, is that we are everywhere.

That brings me to my next point: understanding the environment and specifically our differing world views. Virtually every maritime strategy document I have seen describes the maritime commons as insecure and the need to protect the maritime pathways and insure the unimpeded flow of goods across the maritime commons— Every time I see that I sort of scratch my head a little and wonder what all the hub-bub is about. I do not see a threat out there.

--That is not to say there are not critical vulnerabilities out there that we need to pay serious attention to. Port infrastructure is a big one. In fact, the Chinese understand very clearly the value of the port of Los Angeles and Long Beach to the Chinese economy. It's my guess that very few people in the United States have any appreciation for how valuable the ports of Singapore or Hong Kong are to the U.S. economy.

But threat and vulnerability are not the same thing. In fact, the only threat to maritime commerce I see are from the effects of ill conceived security measures that fail to understand the fundamental way that the globalized transportation system works. The nature of trade in the current age of globalization which is intermediate goods used as inputs into production processes as much as finished goods ready for retail demands a hyper-efficient transport system with a vanishingly small tolerance for disruption. As an indicator of the efficiency of the shipping system, it costs less to ship a container from Hong Kong to L.A. than it does to truck it the last hundred miles to its final destination in the U.S. The variation in the delivery time for that trip from Hong Kong to L.A. is measured in hours. This highly efficient, supply chain network of networks is critically dependent on a transport system that is in perpetual motion across all modes.

A good analogy is the old FedEx commercial with a web of interlocking conveyor belts shunting packages around in continuous motion until they get to their final destination. The intermodal shipping system needs to be thought of just that way. Everything is always in motion, and a stoppage anywhere will propagate effects to the system, quickly becoming a stoppage everywhere. Any strategy that fails to consider that aspect of shipping will do more harm than good, and the cure cannot be worse than the disease. In returning to the world view issue, we are not even sure we're sick. Those statistics I mentioned earlier about the size of our fleet and our global persistent presence are relevant to that world view. We have a pretty good vantage point concerning what is going on out in the global commons. Arguably, we have a better view of things than the Navy. And in the debate about whose world view is correct, is there a threat or isn't there, who has a better vantage point is relevant to the extent that at least it must be addressed to build a sort of partnership with commercial shipping interests that the thought leaders in the thousand ship Navy maritime partnership indicate are necessary.

I get asked a lot about piracy. No doubt piracy is a very bad thing to the people it happens to, but that's not us. Piracy is a large issue for regional coastwise trade in some parts of the world like Africa; hence, the very visible problems for World Food and similar humanitarian organizations. But for international trade and the ships that

facilitate it, not so much. In fact, right now there's in the news an article, or a flash, about the Indonesian navy needing to interrupt the piracy incident on a tanker in the Straits of Malacca. In fact, it may still be going on. I just got it on my Blackberry right before I started. However, if you dig past the headlines, most people won't, and that's a tragedy, if you dig past the headlines, the tanker in question was a 2,000 ton tanker carrying cooking oil. In my mind, I make a distinction between a 300,000 ton VLCC loaded with crude and a barge carrying a couple cups of Crisco. Unfortunately, the statistics will not make that distinction. And I would note the very unfortunate tendency nowadays to conflate petty thieves in bumboats, something we have been dealing with forever, with the broader concept of piracy, making the picture look even worse.

Right now, in fact, if you suspect that somebody might think about doing something to your ship, even if they don't, you're supposed to report it as an act of piracy, which to me makes statistics from folks like the International Maritime Bureau who report piracy statistics, very suspect because it's difficult to say what the guy in the bumboat is thinking, and that's what they're asking you to report.

What does worry me a lot is the issue of stowaways, an area where our world views are probably very much alike, although for very different reasons. Stowaways are a big problem in places like Africa, bad enough that we at MLL, Maersk Line Limited, frequently rely on private security, British officers and ghurka troops at not insignificant cost to help us deal with it. Dealing with stowaways requires improving local port security, which means capacity building in local law enforcement that usually act as ticket takers for would be stowaways right now rather than a deterrent they are supposed to be.

Transparency is a final issue I'll mention here. The often voiced position is that legitimate shipping should welcome transparency. Well, yes and no. For normal operations in the liner trade where we are common carriers, it's not a big deal. We post our schedules on our websites. For ships operating in a tramp trade in search of cargo on the spot market, it's a very big deal. Vessel position is a source of competitive advantage

and a source of leverage in negotiation with cargo interests. Cargo interests, particularly in the bulk cargo and oil markets, would love to have that sort of visibility into where vessels are for their cargoes. And in my discussions with some of them, they would probably pay for that information.

I can also easily construct a case that all ships, including legitimate vessels operating in full compliance with international law and the conduct of normal business would have reasons to be worried of transparency. For instance, in the event of a tussle with China over Taiwan and the U.S. decides to interdict the flow of oil to China, something that's been mentioned a lot, folks in PRC worry about it a lot, any system that would allow authorities to identify all vessels carrying oil consigned to China, regardless of location, flag or flag state sympathy for U.S. interests in the conflict and then make those vessels targets of the interdiction effort will arouse suspicion. And you have to remember that you cannot tell by looking at the flag of the vessel or anything else about it, about who owns the cargo or where it's going.

All that said, this does not mean that we at MLL, especially, are not willing to do it. We ourselves are not in the MDA business, but we are certainly willing to assist those that are. We have proposed some of our own ideas for trial programs, and I've offered the use of our ships as platforms for trials to test the ideas of others. As an example, we are currently moving forward with a trial program on several of our vessels to test innovative maritime domain awareness technology developed by Lockheed Martin that addresses some of the limitations of AIS. And I was recently asked by U.S. naval authorities in Naples if I would consider allowing some sort of AIS tracking receiver apparently used in P3s to be put aboard some of my ships to see what kind of data could be generated, and I certainly agreed.

This highlights another capability that we bring to the table that is not well appreciated. Due to the large number of ships we have operating globally in regular service offerings, we have the ability to do controlled experiments on a large scale beyond anything the Navy could get on their own. We can assist in developing data quickly that would

otherwise take years to generate, if at all. I also offer that we are more than willing to act as training platforms that the Navy, the U.S. Coast Guard and various law enforcement agencies have in the past taken advantage of, although certainly I would hope that they'll do more of that in the future. And we have participated in exercises such as noble resolve.

We are right now participating in a program with a British MOD wherein they place a small device about the size of a laptop computer on one of our vessels, on some of our vessels, including U.S. flag vessels. The device is completely self sufficient, it does not integrate into any ship system and is independent of ship's power, having a battery that lasts seven years. We peel the backing off the tape and slap it on a bulkhead and that's it. With this device, the British can keep track of where our ships are in real time, all the time. All we have to do is avoid painting it, which is something which is a challenge for seamen, as most of us know. [laughter]

This program grew from the British desire to keep track of where ships are that are carrying British military equipment and there are, understandably, places they would prefer we didn't go with their stuff on board. I would note that the U.S. has no comparable program for vessels carrying U.S. military equipment, but we would be happy to participate if they did.

Considering that in 2006, the DOD alone shipped almost a quarter of a million TEU through the commercial transport system, much of it material to support the effort in Iraq. And perhaps that's not a bad idea. I mentioned AIS a few minutes ago, probably the three most abused initials in the whole maritime domain awareness discussion, so I'll wrap up my remarks with something about AIS. AIS data certainly can be critical input into the broad picture of what's going on out there. Indeed, it is data that needs to be captured and analyzed. But limitations to that data should be understood. We know, of course, compliance with AIS is far from universal and is fairly common to come across a ship out in the deep blue that does not have it turned on. So if all you're doing is collecting AIS data, you're missing a group of actors all together.

But even more importantly, AIS is easy to spoof. I just read a report last week that claims upwards of 30 percent of all AIS data is incorrect. Remembering that AIS is intended as a navigation system to avoid collisions, the level of concern about false AIS data led to maritime authorities in Singapore in 2005 to issue a flag state notice concerning the inaccuracy of AIS data.

In conclusion, commercial shipping is a preponderant presence on the global maritime commons today and is in many ways the reason a maritime strategy is needed at all. We think we bring a lot to the table in overwhelming persistent global presence. We do not simply want to be the passive object of the new strategy, we would far rather be an active partner in implementing a strategy that furthers the collective security goals of all states while not jeopardizing the economic goals of any state in the process. Thank you.

[applause]

Q&A for the Entire Panel

MR. RUBEL: Thank you, General. Okay, we'll take some questions. Unless specified, I'll regard the questions for the panel as a whole. If an individual panelist does receive a question, I'll give the rest of the panel a chance to respond if they so desire. With that, I'm looking for questions here. Phil?

AUDIENCE: To the Marine Corps, the General addressed a fundamental issue of raise, train and equip military forces and the money needed to do that. The only way I see your getting money to do what you want, and what the others want to do, is to grow the pie. What do you see happening among the services in a cooperative manner to grow the defense pie?

GENERAL NATONSKI: That's a million dollar question. I wish I had the answer. I think it's going to depend on the next administration. You know, right now we're fighting a war, and we're going to have to reset the forces before we even start thinking about modernizing and increasing our forces for the future. Those are the challenges

we've got. If you look at the defense budget over time, whether we're at war or at peace, it's a sinusoidal curve, it goes up and down. And right now, we're kind of on the top end of the peak. I think it's time for this country to acknowledge that we've got challenges, as I pointed out in the beginning of my discussion, we've got some major challenges out in the world and we better address those, and we better have the means to address them in our armed forces. It really is going to depend on where we go, I think, in the future and how important this country feels the defense of this nation is going to be. I'll turn it over to any of the other panelists.

ADMIRAL SHUFORD: I'll take one hit on that. To go back to some of the things that John was talking about at lunch, I think this maritime strategy is an effort that, if it proves effective, will serve to do just that because the issue is the understanding of the folks that vote those dollars, and the Congress which apportions them. You heard John talk about the two audiences for the maritime strategy. So that's what at least the Coast Guard and the Marine Corps are doing, and the Navy is doing in that regard.

MR. RUBEL: Robbie?

AUDIENCE: A question for the General Natonski and Admiral Salerno. It's fairly obvious that this new document will serve as the strategy document for the U.S. Navy. Will this document also serve as the strategy document for the Marine Corps and for the Coast Guard?

GENERAL NATONSKI: I'll take it from the Marine Corps perspective, and yes it will. I think all three service chiefs are going to sign up to it. In fact, I want to say we were pushing it last week up to the commandant for his signature. So we're on board. Coast Guard?

ADMIRAL SALERNO: That's correct. The commandant of the Coast Guard will be one of the three service chiefs signing this document, meaning it does reflect the way forward for the Coast Guard and our national defense role. Having said that, the Coast

Guard also has a separate strategy compatible with this strategy, which addresses the full range of all of our missions. Some of our missions don't necessarily fall into a defense context, for example search and rescue and environment protection, fisheries, so we have a separate strategy that covers the full spectrum of our missions. But the aspect of our internal policy that coincides with the maritime strategy discussed here is very consistent, they're on the same page.

MR. RUBEL: Yes, sir?

AUDIENCE: Commander Brink Lavonne, I'm with the Joint Staff. This question is for Mr. Carmel. Sir, where do you see your greatest risk to your industry in context of this forum?

MR. CARMEL: Probably one I kind of alluded to during my comments, are ill conceived security measures that end up putting a chink in the supply chain, stopping it. For instance, the requirement that you heard about this morning for 100 percent scanning of containers overseas. If that's done wrong, that will be catastrophically bad, and I got to emphasize if that's done wrong. We don't know how it's going to be done, but until we see the details of that, it's certainly something that is a concern for a whole host of reasons. First and foremost, there are about 30,000 containers a day that come into the United States and how that's going to get handled is hard to say.

As you heard this morning, though, that's only about half of the containers that actually enter every day. Certainly, if the supply chain is disrupted for finished goods, it'll have a big impact on things like inflation. You can build buffer stocks to deal with disruptions in the supply chain because of security measures for finished goods, but costs will go up, inflation will go up and that will be asymmetric inflation. It will hit people like Wal-Mart and the folks that shop there harder than it's going to hit people that shop at Saks 5th Avenue.

And lastly, as I mentioned, a lot of trade nowadays is not in finished goods, ready for retail. I think someone said underwear from China. In fact, a lot of trade nowadays is intermediate goods. It's components designed for a production process. And to the extent that component level stuff designed for production processes gets impacted by this, that supply chain has no tolerance and will not accept buffer stocks and things like that to develop, they'll just go someplace else. So the giant sucking sound that Ross Perot once talked about of industry fleeing the United States will just get a lot louder as it gets harder to do business here. So those are the kinds of things I think I worry about on one level.

And second, you know, the way I started my remarks, I worry a little bit about while we have good engagement at the very senior levels, Admiral Morgan, very big thinker and I like the way he thinks. I think he understands, I know he understands what we can bring. On a tactical level, day to day discussion, it's not so comfortable. We get talked about as an object rather than a participant. And any time you're the object rather than a participant, you know, how you end up in the whole thing, little nerve-wracking.

MR. RUBEL: Yes, sir?

AUDIENCE: Eric Kulisch, *American Shipper* magazine, also for Mr. Carmel. I guess you're talking about being maybe the eyes and ears for the military out there. But Dr. Flynn talked this morning about the willingness to share information, and I know with customs and border protection, with the stowage plans and things like that, that there's information sharing talked about and also with the Coast Guard. But is there a—Can you explain to what extent some of the day to day commercial shipping transaction data that the maritime industry or the shipping lines are willing to share to aid in this maritime domain awareness? And also, when you're talking about a wiliness to assist, are you talking about Maersk per se or the world liner or the world shipping industry overall?

MR. CARMEL: Let me address the first question last. Actually, it's on two levels. Certainly, the U.S. business, the one I represent and control, that we are absolutely ready

to get engaged, and we are, in fact. In fact, yesterday the Coast Guard approached us about helping them test some sort of scanning technology looking for bubbles that have been placed on the exterior of hulls, and we're certainly happy to help stuff like that. So from the U.S. perspective, we absolutely are ready to participate. But it does extend beyond that. Admiral Metcalf was just out a couple of weeks ago talking to my counterparts in Singapore and they also ordered up and said, "Sure, we're ready to help. We need to know what you want us to do, when we see the details." But on the surface of things, we certainly want to participate.

I think that's a key issue there, what do you want us to do? I get back to my differing world view issue. You can't just come to us and say, "What can you do for us?" mainly because our world view is so different than yours. So what we want to know is what we can do for you? And I say that all the time. That said, there's not a lot that we don't already share, especially in the liner business, the container liner business, our skirts are pretty wide open already. Boy, there's not too much that isn't shared one way or another now. Like I said, in the tramp business, that's a little bit different. But still, we share pretty much anything, especially with the government, anything we're asked to. We can be the eyes and ears, some of the proposals that we've talked about that the Lockheed Martin technology is designed to capture AIS and radar data that we see out there and transmit it back. We have to be careful, we are not an overt intelligence gathering activity and we can't seem to be such or we're going to end up triggering port state control problems all over the world.

But passive intelligence or passive data gathering we certainly can do, and that's one of them. So we transmit the AIS tags in the radar information attached to it which helps paint the picture and it gives visibility into contacts that don't have AIS attached to them. So there's a number of things we'd be willing to do, I'd say the list of things that we won't do is pretty short. And in fact, right now, I would be hard pressed to have somebody come to me and say, "Here's some data that we want that you won't give to us," because we share everything there is to share right now.

MR. RUBEL: In the back?

AUDIENCE: Jatin Bains with Channel Logistics. This is again for Mr. Carmel. We recognize that the data ship industry is about 15 percent of the global tonnage, and the non-container industry is about 85 percent. And out of the 85 percent, about 40 percent are general cargo ships. So the thoughts that you had just put forward on all these initiatives and data sharing, etc., I'm sure they come from the container ship perspective. Do you have any thoughts on what are the prevailing thoughts on the non-containerized shipping industry?

MR. CARMEL: You're absolutely right, and the big reason for that, for whatever reason, is that the world is fixated on container ships. I don't think anyone ever talks about a WMD coming in underneath a couple thousand tons of oils on a tanker. It's always inside a container, and so the world seems to be fixated on that right now.

However, you're right in that's a relatively small portion of the world, although in honesty, the vast majority by value of stuff moving across the ocean surface is moving in containers, so the rest of it's high volume, high weight, low value stuff. But I think the same general comments apply. It doesn't matter what kind of ship it is, if it's a container ship or a bulker or a tanker, you know, the eyes and ears part of it, our ability to be present and to just relay back what we see is independent of what kind of ship we are. And in fact, a lot of the areas that we work in, in places like Africa, it's less the container fleet and more the tanker fleet and folks like that. So those ships can be a big part of it and should be a big part of it, from the fleet I control anyway, will be a big part of it if we're asked.

MR. RUBEL: Right down here?

AUDIENCE: Allen Deem. General, thank you very much for taking the national, or it's going to be the Navy and maritime strategy and reducing it down to what does it mean of the people in the Marine Corps, that's wonderful to hear. I was wondering from Admiral

Shuford if you could do the same for Navy. Does this new strategy imply any new skills or competencies for Navy people? And if so, what's the Navy's PME plan for the road ahead?

ADMIRAL SHUFORD: Those are the three pages that I skipped in my remarks. [laughter] You don't want me to open that at 3:45. No, the implications for developing regional expertise, cultural awareness, languages, all those things, have huge implications and they're already being incorporated into the educational continuum. The key piece in terms of the headquarters that I was talking about, the ability to concert aggregate forces and to work with diverse set of political constituencies, NGOs, all that whole range of folks that have to be involved in a whole range of theater objectives, for example, not just conflict but humanitarian assistance and disaster relief, those sorts of missions. What happened in Pakistan, the tsunami, there's just no playbook for it and you can't train to it. All of our services are oriented, have huge systems for training and extraordinary amount of resources falling into training, something that we can measure, we can understand the demand for clearly, see the output, input and output algorithms, we all appreciate. But it's not quite the same thing for the sorts of skills, competencies, genius, the expertise that you were talking about associate with operating at the global posture like the general talked about, the security cooperation MAGTF, to understand how that is applied, what sort of effects you would expect to be able to plan for, assess. They do, those sorts of things do require different skill sets and they're not things that are delivered in a cookbook that you can formulate and pass out to folks in boot camp. It's part of an education process, yeah.

MR. RUBEL: I think we've hit the end of our allotted time. I don't know that I see any more questions out there. One more?

AUDIENCE: Commander Pat Burns. I'd like to end with a really hard question. You want to increase the size of the Marine Corps, or you are increasing the size of the Marine Corps. You want to stabilize the size of the Navy around 322,000. The Marine Corps wants 30 ships of lift capability, the Navy wants 313 ships. Sea basing still on the table,

you're going to have recapitalize after the war. You have an aging Navy air wing. It seems like the perfect storm, and now you have a new maritime strategy. My question is, should the perfect storm happen and you're facing possible budget cuts, as you're on top of that sinusoidal curve that the General talked about. What is the contingency plan, Plan B, or the plan for the worst case scenario?

[laughter]

MR. RUBEL: Notice the silence.

GENERAL NATONSKI: You know, in this country we've always stepped up to the plate. I mean, I think our readiness on the eve of Pearl Harbor wasn't there, and yet we stepped into high gear and we fought World War II and we won it. I would think in the future the threats are that much greater, especially the nuclear threat. But I have no doubt that this country would rally and do what it had to do and spend what it had to do to get where we're going. My concern is we don't drop back because we're pulling Navy out of the Middle East and think we're going to recoup all of these defense dollars for social programs. You can have all the social programs in the world, but if you don't have a country left after you're attacked, what good are they? So I think we have to make a commitment, and as the Admiral pointed out, this maritime strategy will hopefully socialize to both Congress and the people of this country, that we do need a strong defense.

You know, the al-Qaeda have a website. If you ever look on their website, they have a plan and they're patient. You know, we want instant gratification. We want the war over today. This is a long war. Their philosophy is they're going to kick us out of the Middle East, they're going to overthrow all those secular Arab countries, they're going to eradicate Israel and they're going to spread their caliphate and that's their stated strategy and that's what they want to do. And we've got to be in it for the long term and I think it's up to us to get the message out.

MR. RUBEL: Anybody else want to handle it?

ADMIRAL SHUFORD: No, very well said. You can't end on a better note than that, Barney.

MR. RUBEL: I would add some emphasis in our conversations with the country and with friends around the world, I don't recall anybody not wanting the U.S. Navy and Marine Corps and even the Coast Guard out there present in various parts of the world for various reasons. But they want us out there. We did have an option that called for bringing everybody home. I mean, we had to consider all options. That might have been a cheaper option, but there was no support anywhere for that kind of thing, either within the Navy or in the country as a whole. So adding weight to the General's remarks, I think the country expects that of us and will do what's right when the time comes.

Okay folks, I'd just also like to say that I think the composition of this panel reflects generally what happened in the maritime strategy development process. Navy, Marine Corps, Coast Guard worked as equal partners in it all the way. We had the joint world in on it, the commercial shipping and other commercial private sector inputs were there throughout. So I think you can have some confidence that—I know concern was expressed that the interagency be consulted, that the private sector be consulted. Believe me, it was all in there.

In any case, I thought this was a stimulating panel. I'm very grateful for the comments of the panelists. Let's give them a hand and we're up for a break. [applause]