

Rear Admiral William P. Loeffler

Presentation

IFPA-Fletcher Conference

ADMIRAL WILLIAM LOEFFLER: Well good morning Admirals, Generals, and distinguished guests. It's a pleasure to be here, to have this opportunity to talk to you. And on behalf of my boss, Dr. Jim Tegnalia, who had to leave earlier, who is the Director of the STRATCOM Center for Combating Weapons of Mass Destruction, as well as the Defense Threat Reduction Agency, it's a pleasure to be here. Combating weapons of mass destruction is STRATCOM's newest UCP assigned mission area. Of the eight that it has, this was the last one and was formally assigned in 2006.

As we've heard, globalization has produced three effects that will impact maritime strategy: the growing interdependency of world markets and economies, increasing global competition for energy and resources, and the spread of violent ideologies and security threats that place critical interests of the United States, our key allies and partners, in jeopardy. The national strategy to combat weapons of mass destruction, President Bush stated, "The greatest danger our nation faces lies at the crossroad of radicalism and technology. Our enemies have openly declared that they are seeking weapons of mass destruction and evidence indicates that they are doing so with great determination."

Most governments derive legitimacy from economic growth and stability. And a large part of this growth comes from vital sea-based transportation networks. These networks are also used to spread weapons of mass destruction technology and expertise. With the robust, but vulnerable, global economic system, we must assure that we avoid assuming a mainly reactive posture and instead focus more on the long-term, non- and counterproliferation efforts of combating weapons of mass destruction.

To do this, we must be aware of the proliferation challenges, put as much emphasis on nonproliferation and counterproliferation for combating WMD as we do on the counterterrorism aspects. And as well strengthen our alliances. Proliferation is a global issue, primarily due to the globalized economy that produces trade and investments. It also drives the globalization of technology and expertise as more and more countries now have access to high tech expertise. Increasing this challenge is the fact that WMD-related industries, virtually all expertise, equipment and materials are dual use, which creates a significant challenge to determine either intent or end use of these items. There are numerous nonproliferation policies and institutions in existence today. However, the changing times of the global economy drives the requirement for a more aggressive approach to proliferation, specifically counterproliferation and a maritime strategy.

An increased emphasis on counterproliferation and an updated maritime strategy will make significant advances towards addressing the long-term threat of WMD acquisition or use. A key aspect of successful WMD counterproliferation is deterrence. The validity of perceived weakness of international institutions has profoundly altered the national security landscape. There is a need to reexamine what it means to stop the development and spread of weapons of mass destruction. This includes the discouragement of interest in WMD efforts before a state attempts acquisition or development of WMD, preventing the illicit acquisition of WMD weapons by state and non-state actors, as well as the rollback of exiting WMD programs and capabilities of concern by identifying pressure points and vulnerabilities in these programs.

This effort to move events towards a more phase one, phase zero approach serves to prevent programs from starting and inhibits facilities from being built. That way, we're not just stopping boxes moving in ports. The success on this side of a continuum is often not headline newsworthy, but will spare us from dealing with the aftermath of a WMD event. In addition, dealing with the events in a nonproliferation or a counterproliferation continuum are often less costly than dealing with the consequence management after the event.

Another key aspect of counterproliferation is interdiction, which goes beyond mere kinetic options. A maritime strategy that emphasizes the importance of maritime forces and depicts their supporting role for the acquisition of actionable information in the maritime commons will go a long way towards operationalizing the interdiction mission and subsequently strengthening the role of deterrence in combating WMD.

Several things can be done in the maritime domain to help gather information and deter proliferators. Short of actual boarding and search and seizure, for example gathering manifest and destination information through the simple act of hailing and querying ships in high interest lanes, response to overt tracking by merchant vessels, by naval vessels or the over-flight by military aircraft can add valuable insight into the intentions of a vessel of interest. These efforts, although benign to some, can lead to more effective alternate courses of action for the U.S. government interagency process.

Counterproliferation success in this age of globalization requires both domestic and international strategic partnerships. Domestically, no single U.S. government agency or department can counter the proliferation of WMD and related materials, delivery systems, particularly those dual use components and technologies. Instead, there is a need for the integration of efforts across all spectrums, including the maritime environment in order for counterproliferation efforts to succeed. In fact, maritime counterproliferation is better understood and operationalized than efforts in either the air or land environments, even though efforts in all three areas are under way.

Internationally, no single government can effectively discourage, prevent, roll back, or deter WMD proliferation by either state or non-state actors. That's why initiatives such as the Proliferation Security Initiative, which Ambassador Joseph talked about earlier this morning, are so critical. PSI was established in 2003, and there are now 85 countries that are participants in these informal, international efforts to reduce the proliferation of WMD. PSI is also a good example of a policy initiative that creates international, multiagency global relationships. The incorporation of the effects that PSI creates into the new maritime strategy will facilitate a wider understanding of the importance of

dealing with weapons of mass destruction before it becomes necessary to perform an opposed boarding in a counterterrorism environment. In addition, the incorporation of international efforts like PSI will serve to emphasize that this is truly an international issue, not just a unilateral effort. I'll leave the remainder of my remarks on PSI, as Ambassador Joseph covered them much more effectively than I could.

In addition to PSI, there are international venues to facilitate counterproliferation of WMD such as the enforcement of the United Nations Security Council resolutions. UNSCRs are powerful tools for creating global understanding of the WMD proliferation environment. Although the specific authorities contained in a United Nations Security Council resolution may vary, the awareness of how the—in the future. Currently, there is a tremendous emphasis placed on the counterterrorism aspect of combating weapons of mass destruction. With this focus, it seems that we must wait, be reactive versus proactive, to act until after our adversaries, either state or non-state, acquire WMD. By waiting, we are increasing the likelihood that they will be able to successfully employ WMD against the United States, our allies, or our interests. However, by focusing on preventing these materials used to develop WMD from falling into rogue states or terrorist hands, we can move the continuum to the left and keep the issue in the counterproliferation lane so it does not become a counterterrorism, and even worse, a consequence management issue.

Success in the maritime domain requires us to fully leverage not only the capabilities of our naval services, but also create the linkage and understand the importance of the maritime domain to make full use of all aspects of U.S. government power. Moving combating WMD to the left, through counterproliferation, interdiction and deterrence, two of the tenets of the national strategy for combating weapons of mass destruction will reduce the necessity of dealing with the aftermath of a rogue state or a non-state actor employment of WMD. And perhaps more importantly, prevent these programs from even being started.

The inclusion and interweaving of the importance of combating WMD and the counterproliferation pillar in the new maritime strategy will increase its viability in the dynamic global economic environment of the 21st century. Thank you. [applause]

Q&A for Entire Panel

DR. MARTEL: We have plenty of time for questions. I guess the following rules, keep the questions brief rather than longer. We can do more short questions than long questions. Second, please tell us who you are and where you're from. And I mention to the panel as well, use their judgment, but not everybody has to respond to every question. With that, we're open to questions. Yes, sir, in the back? And please wait for the microphone, thank you.

AUDIENCE: My name is Jadon Beans (?) of General Logistics. I was trying to get this question in earlier on some of the previous panels. Considering that we acknowledge the importance of the Malacca Straits for the international trade, and the panel had referred to the A. Q. Khan network which had used Malaysia as a platform, any comments on the importance of the Malaysian navy, considering their absence in the recent multilateral exercises in the Indian Ocean where you had the Australian navy, Indian navy, Japanese navy, and the U.S. navy and the Singapore navy? Thank you.

DR. MARTEL: Whoever would like to take that question, please?

___: Okay. [laughter] You know, I think the importance to recognize the Malaysian navy makes significant contributes to security in the Malacca Straits region, they've been working very, very closely with Indonesia and Singapore in order to work that problem. I don't think the measure of effectiveness or the value of the contribution should be does every single force participate in every single opportunity to participate? They're going to figure out where they can leverage best their capabilities, what their resources are, and then they're going to make decisions that are based, as all countries do, on what their interests are and where they can get the most return on the interests.

So I think that we recognize the value, and Admiral Mullen specifically recognized the utility there, and I think it's—What we're looking for, I think, in the development of this new maritime strategy, these global maritime partnerships, is to create the venues where every country that has maritime forces to contribute, and whether we call them navies, whether we call them Coast Guard, whether we call them anything else, the forces that have the ability to go where the security challenges are, whether those are very, very close into shore, out in economic zones or whether it's on the blue waters is really immaterial. It's creating the venues, the personal relationships, creating the trust and then the ability to operate together in a professional manner that's the importance piece.

DR. MARTEL: Yes, sir?

AUDIENCE: Hello, Eric Kulisch, *American Shipper* magazine. Wanted to get back to Mr. Oxford's point about the protection—I guess he countered Mr. Flynn's point on protection of the Navy, using Coast Guard or homeland security assets to protect the Navy. You seem to suggest that you didn't agree with that. Wouldn't it be potentially better, or couldn't there be an argument that DOD should use some of its larger resources than what DHS has to provide that protection? And maybe Mr. Hormats wants to comment on prioritization here. And I guess the counter to that is if the Defense Department is protecting military assets here domestically and feel that's important, maybe we need more resources. Do we need more resources to protect critical private infrastructure as well?

MR. OXFORD: Let me address kind of two concerns, and Eric, I'd ask you to address one of those specific questions to either Admiral Salerno, who will speak later, or Admiral Eilan (?) when he talks about how well their assets are able to do these multiple jobs and how far stretched they are.

My point was we are looking at port security in a more holistic way. In this case, the ability to deal with the small vessel threat, we looked at the strategic value of San Diego

and the Puget Sound as very critical areas, and we need to bring in the extended capacity that comes with the air and maritime security committees and the local law enforcement agencies that have marine operational capability so we're not drawing only on the Coast Guard assets, we get expanded capacity to do the detection and interdiction method. It isn't just a federal issue, we're not just protecting the naval port, we're protecting the key civilian assets in those locations as well.

I think Steve was suggesting that maybe we're ignoring L.A./Long Beach, but there are other assets in L. A./Long Beach as well that are looking at port security more broadly there. Plus, he was trying to bring up some infrastructure protection issues that I think maybe go beyond the maritime.

DR. HORMATS: I'll just follow that up, the other part of the question. I think the issue in substantial measure is we're probably doing what we need to do with respect to the military. But a substantial portion of the funding required for dealing with the domestic infrastructure issues that Steve raised today, and has raised for the last several years, effectively so in my judgment, a lot of that money simply has not been forthcoming, as you doubtless know, because you follow these things. And therefore, I do think hardening the infrastructure, protecting parts of the infrastructure that don't necessarily relate to the Navy or the Coast Guard is important.

I mean, if you live in New York, the corridors you go up, the New Jersey turnpike right outside New York, you see all those chemical plants. Jon Corzine, who was a former colleague at Goldman, now governor, constantly makes the point that there are lots of vulnerabilities there. I mean, they're right off the highway, chemical plants, places to store fuel, very vulnerable. There are a lot of parts of this country that are still very vulnerable and do not get the kind of protection that's needed.

And the second point is the broader point, and the point I was trying to make earlier, that we have many common interests with other countries that are building their naval capability. This is really on the blue water side. And it strikes me that partnerships with

countries like China and India and Japan who have a very keen interest in keeping the sea lanes open and avoiding disruption of energy supplies, partnerships with them would, first of all, avoid misunderstandings with them. And second, enhance our capability of dealing with some of these issues before they get to our shores. Because they have as much of an interest in avoiding disruptions in the sea lane as we do. Lots of countries want to make sure that there's enhanced capabilities of keeping these sea lanes open. So those kind of partnerships will enable us to utilize more of our resources, perhaps, closer to home if we can cooperate with them more broadly. Because the interests are very similar. We all have an interest in open sea lanes, and they're going to put more of their resources into it, we probably are as well. So we could get a lot more effectiveness if we worked more closely with them.

MR. OXFORD: Let me add one thing to that. One of the reasons we chose both San Diego and the Puget Sound area was because of their proximity to both the Canadian border and the Mexican border. We looked at the number of small vessels that are cleared by U.S. customs on an annual basis. The Puget Sound area, sail Tacoma, they cleared—That's the number one port for clearing small vessels coming into that—Into any U.S. port, and San Diego is number six. So there's practical reason why we would worry about a threat coming through the small vessel channel and the number of small vessels that come into those ports on an annual basis as well.

DR. MARTEL: Yes, sir? And we'll work our way back here, great.

AUDIENCE: Good morning. I'm Captain Matt Feely from the Defense Logistics Agency. It seems to me that when we've been talking about deterrence, we've been using the term in the context of days past when the enemy was an identifiable state actor who could be held account. Now, of course, we see non-state actors emerging as a potential enemy, and I think that Rear Admiral Tidd mentioned that it is perhaps possible to deter those non-state actors through probing and perhaps attacking or addressing somehow the supply chains that may allow for a non-state actor to deliver some kind of weapon of mass destruction. I wonder if any of the panel members might want to expound upon the

strategies that could be used to deter non-state actors? It seems to me that what Rear Admiral Tidd had suggested may be more disruption, appropriately termed disruption rather than deterrence. So I'd be interested to hear in any more detail of what we could do for non-state actors? Thank you.

ADMIRAL TIDD: I'll start off, and then I think everybody else may have something to contribute as well. Disruption is a separate—It's a different phase. What I'm talking about is dissuading all of those sort of intermediaries involved in the supply chain; the gray marketeer, the scientist who might be tempted to contribute his technical expertise, obviously a potential state supporter or facilitator who might be interested in turning a blind eye to the transshipment of goods, those sorts of things. So each one of them may be amenable to a particular dissuasion method or dissuasion message or a deterrence message.

Do I think that the guy at the far end who's actually got his finger on the button can be dissuaded from pressing that button if he has that opportunity? I think that's a different series of problems, and that's typically what we have focused on up to this point, is the apocalyptic actor, and can you deter him? Maybe not, but he's got to get his finger onto a button in the first place, and you've got to tackle every single element along the way to minimize his opportunity to ever get to that point of getting his finger on the button.

___: Let me add that our defensive strategy that is very much a layered strategy, starts with doing everything we can to secure nuclear and radiological material, both overseas and domestically. So every layer that we enhance our protection value to will also serve as a deterrent. And we finished that with things like if you go to any of our southern border crossings right now, our ports of entry or our seaports where you see officers with canines, with guns, you see radiation portal systems, that layer is pretty well becoming secure. So there's a deterrent value to every one of those steps.

On top of that, the interagency has recently come together and we're moving out aggressively in what we call nuclear forensics and attribution, the ability to essentially

fingerprint nuclear materials, both domestically and around the world, so that if it's ever used, we can quickly lay claim to where it came from and who the potential prosecutor of that potential attack. So the ability to defend and also attribute the attack, we think adds to an overall deterrence strategy that is much different than the ones we used in the past.

___: If I could just comment on the deterrent piece as well, part of what I talked about was the proliferation of dual use technology, where it's very difficult to understand what the difference is between a baby milk factory or a biological weapons facility. That's becoming increasingly more challenging to determine. So the value of intelligence can't be overstated, as well as understanding intent. And the deterrence piece, almost all these facilities, even those used by terrorists, have to be aided and abetted, for lack of a better word, by a state actor. And so can you deter a terrorist? Well, perhaps that's a subject of debate. But there is a much greater opportunity to deter a state actor that would have to facilitate the transfer or production of those dual use facilities than a terrorist would.

And if I could, everybody seems to focus on nuclear and I certainly would not wish to demean the importance of the nuclear threat. However, chemical is still a very real issue and the one that truly scares me is the biological piece because we're addressing the issue, but that is one that is truly beyond the imagination as to the possible consequences of a biological event. Thank you.

DR. MARTEL: We have time for a couple more questions. Back left, please?

AUDIENCE: Commander Carl Forkner, I'm faculty at the Air War College. Looking at the topics here on interdependence of world markets and economies, threats and so forth, we've heard a lot of discussion about some of the most pervasive threats and the most important ones that we perceive and the most important economies with whom we deal. But much like the post Vietnam era, it seems the discussion, as we look at a global maritime strategy, seems virtually mute on Central and South America and we limit ourselves in the security strategy realm to thinking of the hemisphere only in terms of ourselves, Mexico and Canada. Over the last 15 years, some of the South American navy

have added to their riverine and littoral expertise by demonstrating back blue water competency, or giving us blue water aspirations.

We have dissonant groups, non-state actors that have been pervasive within South America, we have a number of economic concerns that we are—With South America in terms of agriculture, energy, textiles and other things. Hugo Chavez not only has been more of an influence within South America, but has reached out globally to other leaders with likeminded ideologies and ideas of where they want to go in a non-supportive role as far as American and western values. And I just wonder why we continue to be somewhat mute on the hemispheric maritime security that should include Central and South America?

DR. MARTEL: Thank you. Maybe none of us what to upstage Admiral DeVrietas (?) when he comes, but I think nobody is ignoring what's going on down there, and I would just observe the deployment of *U.S.S. Comfort* and the deployment of *H.S.V. Swift* as a prototype doing some experimental work, testing out this notion of global fleet stations in order to bring capacity building tools to be able to work closely and create those personal relationships with the various and sundry navies down there and to work the maritime security issues to better understand what their concerns are so that we can work together.

And I think that's just the beginning of what will be a process of working more closely together with them. At the same time, we've got a long history of working together in the whole UNITAS series of exercises. So I don't think there's been an ignoring as much as perhaps just difficult to get space above the fold.

___: Can I just add one comment? The point about the *Comfort*, which reminds me—Governor Thompson, I think, has referred to, has talked about medical diplomacy. And it strikes me that one of the objectives of whoever's going to be President next is going to have to be to improve America's image in the world. Our reputation has suffered over the last several years, and I don't want to fix blame for that, it's bipartisan. But the fact is, we're going to need to do something about it, and probably one of the best ways of

doing it is what Governor Thompson's called medical diplomacy, and the Navy has a wonderful capability with the *Hope* and the *Comfort* and their other ships. And we could do it with other parts of our armed services, as well as the civilian parts of our government.

This could be an enormously powerful initiative, dealing with all sorts of diseases, waterborne diseases, viral diseases, infectious diseases around the world. This could be a very powerful thing for our national security and helping in Latin America and Africa, which is another area that could benefit, and which we're increasingly dependent on, also, for oil and for natural resources. So this could be a very powerful new initiative, and the Navy really could be at the forefront of this initiative.

DR. MARTEL: We have time for one more question. Yes, sir?

AUDIENCE: I'm Michael Mendelson, Intelsat. Thank you, gentlemen, for a very interesting panel this morning. It sounds to me, from what I've been hearing, that both the armed services and the federal agencies are not only being asked to do more with less from a budgetary perspective, but also to step outside of some of their traditional roles and look at new, creative ways to counter threats and to address force projection. So going back to something that was mentioned in the first panel, I'd like to know the extent to which you are, and extent to which the current legal environment allows you to, explore some creative public/private partnerships outside of the traditional defense industry? Thank you.

__: We're looking for the lawyer and we can't find one. [laughter]

__: Remember that next time for the next panel.

DR. MARTEL: I think that'll do it. I'd like all of you to join me in saying thank you very much to the panel this morning. [applause] I think this is the time to adjourn for lunch, and then we'll see you after lunch as well. Again, thank you.