

**GENERAL NORTON A SCHWARTZ, USAF:** Jackie, thanks very much for the invitation, and to Tim and Gene and Glenn. It's great to join you up here. I guess I should begin by emphasizing that I'm sort of one-off, here. The two gentlemen to my left, and the one to my right, are what I would call EDs. They are supported commanders. I am an ING, a supporting commander. And there is a difference. And I think you'll get a sense of that, perhaps in some of my remarks and, perhaps, with your questions.

It would be interesting, perhaps, to recount that today is a special day in naval history, as I understand it. Today, in 1580, Francis Drake concluded his epic voyage, his three-year voyage which was chartered by Queen Elizabeth I. And she subsequently knighted him for that achievement, and I think it's of note that, flash forward to today, that transportation command shares our fortunes with the maritime community in much the same way that Great Britain did then, in terms of its maritime strength and security. It's a very significant thing. There are three elements how this plays. The first is known as the voluntary inter-modal sealift agreement. The second, the maritime security program, and third is cargo preference.

You should know that when we move stuff for the Department of Defense that ninety percent of that goes by surface, goes by sea. It's not a surprise, I don't think, to anyone. What might be a surprise, though, is how we do it. And this again, I think, speaks to maritime strength and security.

Seventy-nine percent of the capability that we have access to, to move defense cargoes by surface, are actually commercial capabilities. Only twenty-one percent of our capability is in what we call gray bottoms. And many of you are familiar with that. And, of course, it's the Military Sealift Command and the Maritime Administration on the DOT side that help us maintain that. And it is through the three programs that I mentioned earlier that we have contractual arrangements that allow us, in crisis, to know that we have access to capacity. And, not insignificantly, access to a pool of U. S. merchant mariners. The truth of the matter is that the Voluntary Inter-modal Sealift Agreement provides us access to a multitude of ships, and the maritime security program sixty specific ships, in some two hundred thousand, twenty-foot equivalent units of capability.

If we were to attempt to replicate that as government capacity, it would be a 50 billion dollar investment. So the point here is, is that the way we effectively support the EDs, to my left and right, is through a mix of commercial and organic capability. And it is the relationship and the ability of the commercial entities to operate on the high seas, and to have networks that extend far and wide, even to some of the most remote locations where we may be required to perform, that we can take advantage of those capabilities, rather than duplicating them as government-owned capability. Just briefly, you have-- These are, like I said, providing the access to capability and carrier networks. You have MSP, which gives us assured access to sixty ships, and then finally cargo preference.

One of the ways in which we provide incentives for industry to support the government in a surge, in other words, to be a partner in crisis, is by offering them peace time cargo preference. And it's an important incentive. It certainly applies on the surface side. Likewise, on the airlift side. But that is how we gain that leverage, that fifty billion to 150 million leverage, is through the promise of providing cargo preference in peace time, so that these partners will be with us, all of us, in time of crisis. That they'll be there to surge when we need them.

One other point, I think, is most significant, is that almost all of these ships, with very, very few exceptions, government, or commercial, are manned by merchant marine. And this is a very precious resource for the country. And so having U. S. Flag capability, manned by U. S. merchant marine, means that when we-- When there is a policy decision-- When the decision is made to go operate, that there are Americans and patriots out there who will go do that work for us. It's a very significant capability, and it's one which I think is underpinned by the notion of maritime strength and security, which the maritime strategy certainly underwrites.

In 1775, the Hannah was the first ship commissioned by the then Continental Congress. That was not a warship. It even predates the Navy. The Hannah was a commercial platform. And the Hannah went out, interestingly enough, and engaged a British

Juggernaut and succeeded in defeating that platform. And so, even from, our very first days, this commercial-military partnership is a key attribute. And it certainly remains so today. And if the maritime strategy does not sufficiently acknowledge, or incorporate, the necessity to maintain this commercial-government relationship, and the access to the capacity which exists there, I think the country will be the poorer for it.

And so, as Gene and Tim indicated, I'll look forward to your questions, but if there is a foot stomper in this, it is that maritime strength and security is not written with the government checkbook alone, but certainly involves those commercial capabilities that are U. S. flagged and U. S. maintained, and U. S. operated. Thank you very much.

**DOCTOR DAVIS:** Just a footnote on your presentation, General. Yesterday, Steve Carmel from Maersk is here, and he made a very interesting presentation, at the end of which he made a plea to any military authorities in the audience, who have decision-making authority, his company is willing to do even more to meet requirements in fast-changing environments and rapid deployments. And he said, "You're not telling us what we need to do so we can think about how we incorporate it into our daily operations."

**GENERAL SCHWARTZ:** What he was saying, Jackie, fundamentally, is that businesses make decisions on fleet size, and fleet composition, and investment. And these companies, certainly Maersk, certainly American President Lines, certainly Hapag-Lloyd-- Those are the container carriers. American Roll-on Roll-off and others-- who do the car carriers, vehicle carriers, helicopters, and tactical vehicles for us-- You know, to have a sense of their strategic plan, they want to know what we think we'll need. And the one downside that's key and clear is that the current level of work which we have-- I'm a ten billion dollar operation right now-- in the post-OIF environment, will clearly subside. I'll probably be a five billion dollar operation when it's all said and done. And that is another strategic reality that our commercial partners have to anticipate. Thank you.

**DR. DAVIS:** I'm sure we'll have more discussion about this point later, and we heard some yesterday. But our final speaker, our wrap-up, cleanup batter, so to speak, is

General Spears. General, thank you for being with us, and I know you will represent Admiral Stavridas very well.

**MAJOR GENERAL GLENN F. SPEARS, USAF:** Thank you, Jackie. You're very kind. I'll certainly do my best. It's a bit daunting, if you will, to be representing U. U. Southern Command with this august panel. If nothing else, I think this panel speaks well for the defense department's efforts at creating joint officers. I find it pretty amazing to see three airmen speaking about the importance, the vital importance of maritime strategy. And I also firmly believe that it speaks very well about how important we all see the value of jointness and knowing that we must work together.

It's exciting for me to bring warm greetings from my boss, Admiral Stavridas, who, as some of you know, is a graduate of the Fletcher School. He has his doctorate in law and diplomacy so, not only am I significantly out-manned by rank, but I've got big shoes to fill in that regard. And I'll give it my best shot.

I would like to spend a few minutes, and to use some visuals to help me tell the story, talking about what we in U. S. Southern Command do, and how we support U. S. national security, partnering with all segments of the U. S. government and with partner nations. In particular, I'd like to highlight some of the great capabilities that our sea services bring to the region and how we face a wide variety of non-traditional and evolving challenges in our particular region of the world. If I could have the second slide, as a unified combatant command, Southern Command is responsible for military operations and equally, if not more importantly, promoting security cooperation throughout this vast-- We think it's vast-- Not as large as PACOM, but it's relatively big-- Vast and diverse region. The Southern Command region covers approximately one-sixth of the world's surface, some 16 million square miles, and the area includes 32 sovereign nations and 13 territories in Central America, South America, and the Caribbean. It certainly also includes the surrounding maritime commons and, on occasion, I remind my boss, Admiral Stavridas, that from an airman's perspective, it also includes the domains, the commons of air space and cyberspace.

Well, this huge area includes the mountains of the Andes, the Choco Plains, the vast area of the Amazon, and tiny, Caribbean island nations. It's surrounded by two oceans, capped by the Caribbean Sea, and it is both divided and united by that very important Panama Canal. It's a land of half a billion people who represent a wonderful variety of cultures and religions and ethnic heritages. It's a land of many languages: Spanish, certainly half of the