

**REMARKS BY
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AT THE

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ADM. MIKE MULLEN: Good evening. It is a real pleasure for me to be here, and there is no audience I cherish more than our young people. I think – and I can certainly speak to it – there are nothing but challenges, and where there are challenges there are opportunities in this world right now, and I'd like to address a few of those. Most important – and I'll spend 20 minutes or so talking – try to limit it to that – and then really open it up to what's on your mind, because that's educational to me, and hopefully in the questions that you ask I'll be able to at least possibly broaden your perspective a little bit as well. And I recognized as I was coming up the steps – or coming, I guess, down in the elevator and I turned to one of your classmates and said, so what's hot in leadership, and she goes, "You." I'm not sure that's very helpful and what you want me to say, but I do understand that – just sort of some quick thoughts, though.

One is I was 17 when I left L.A., having been out of the state one time in my life, got on a plane, went to Annapolis, Maryland, went to the Naval Academy and literally never looked back, and principally never looked back because of the people that I met from across our land. And back in those days we weren't global. In fact, I'm not sure what the – we weren't even national back then. We were local in 1964 when that occurred. And in that regard it opened up the world to me in ways that I just had no idea existed. But most importantly I can remember the two dozen or so then-young men who lined up on the wall there that first day and that I went through four years with that many of them I still see today – great people from all over our country, and I would expand that now to say great people from all over the world – exciting, and it just opened up new horizons for me that I didn't know existed.

And then when I graduated – and I graduated right – and this is a little bit – intended to be a little bit informative about who I am and what drives me these days, but I graduated in '68, right into the Vietnam War, so I'm what I call a Vietnam baby. I was here for the social revolution, if you will, in the '60s and '70s and it was a hard time. And we were going through an awful lot of things that I remember well, not the least of which we came very close – some would even argue we broke our military, and we principally broke it because the military and the people of the country were pulled apart. But what the Navy offered me way back when – and I'd never been – my dad wasn't in the military – it offered me an opportunity to see the world. Most

importantly it offered me an opportunity to leave when I was young – thrown in with a bunch of young enlisted sailors and very challenging environments, straight to war to fight in that war, to places in Japan and in the Philippines and Hong Kong – parts of the world that I had hardly even read about.

Most importantly it gave me an awful lot of responsibility from a leadership perspective when I was young and the Navy kept feeding me into these positions throughout my entire life. One, around great people; two, making a difference in places and areas that I had only dreamed of being a part of; and three, continuing responsibility. And in the Navy you grow up – and actually in all the services you do this. You grow up and you command, and that is the pinnacle as you come up to lead organizations as – and you do what we do, staff work, but most of all you lead. And fundamental – which is why when Michael mentions that story, fundamental to the joy and the challenge of it has been accountability. So it goes back to this 10-week course I took at Harvard, which, in 1991 average age is 46 – and I'm 46 at the time – 144 people in the class, 72 U.S., 72 from countries around the world, and taught by – we're living in a – it was taught in modules, and I'll try not to say Harvard too many times here, but taught by a guy named John Kotter.

John Kotter was – and essentially it was a leadership module, and it wasn't until week seven that someone even mentioned accountability. And this was a time coming out of the '80s where, you know, everybody had made their dime and I'm with CEOs and small companies or senior executive vice presidents, big ones from industries around the world, and I didn't understand that because that's what leadership is all about to me. It is about understanding accountability and being held to an accountability standard, and at the same time holding yourself accountable.

So in the middle of the crisis that we're in right now, there was a cartoon the other day that I saw – the financial crisis – and I'm not a financial expert, but I'm paying attention to this. There was a cartoon the other day that had – and some of you may have seen this – that basically had a levee around Wall Street up in New York City, and then the rest of the cartoon, which was the lower 48 – the rest of the lower 48 – was the lower Ninth Ward. And I thought that captured a lot of – in terms of where this is focused, and the question comes out of that is who's accountable? And who is accountable for all of this? And I would argue leaders are, whoever they might be, and it gets at what does that mean?

So I started a very active discussion way back when in 1990 about that, focused on the overall topic that Congress was teaching us was change – how to lead in a time of change, and that's – if I were going to say one thing you are going to do, is you're going to lead in a time of change. It is never going to stop changing. That's our world, whether it's business, whatever we're in, and leading at a time of change is particularly difficult. It's incredibly threatening to the status quo. It's also very exciting, and to stay with it and to continue to adapt is really important. And I can go through lots of examples, and we're doing that right now in an enormously challenging time with respect to the military, the Department of Defense, and the challenges that we have. And so I'll come back to sort of the specifics of leadership. Actually I was handed a book on the way up. I think it's called "Billion-Dollar Lessons," or billion-dollar

failures, but it's sort of what's happened the last 25 years by monumental failures in business – a billion dollars at a time, and the lessons that are learned from that.

And one of the things – and I actually spent a little time with Mr. Chunka, who is one of the co-authors, and talked to him about this. And a couple of things in my – and I've expanded my horizons certainly in the last 10 to 15 years, and one of the things I had to do as a leader – actually, I'd become as a senior leader in particular, but it applies to everybody, is you've got to grow. If you're just – as a matter of fact, a friend of mine said, you know, if you're not growing you're dead. You're just sitting there. And so the growth requirement – and what does that mean and how do you stimulate that and how do you reach for the right kind of growth, and looking outside, where you are and who you are and how other people do things so then you can incorporate best practices and those kinds of views as well.

So the lessons – and I didn't look at the book, but what that book will do is it will talk about failure, and in my career – first of all, I have no expectation. I didn't have an expectation to stay in the Navy more than five years because that was my obligation when I graduated from the Naval Academy. And then I was going to stay for 10 and then I was going to stay for 20 because you can retire with a pension then, and here it is over 40. So obviously I didn't have that right. I had no expectation I'd ever leave the Navy. I love command at sea. I love the responsibility, I love the accountability, and I love going all over the world and making a difference. But I had – I was ready to go at about 20 or 21 years, and you just never know which train is going to run over you and say, hey, we want you on this one.

So one of the messages is, it's tied to growth, it's tied to not burning bridges, it's tied to broadness, not specificity, to keep options open because you just never know what's going to happen. And in those times – you know, I have learned more from when I've failed than from when I've succeeded. And there are a couple of factors in that. Now, I'm not – one of the things that this book says, at least it says in the summary, is basically it's individuals with – or it's leaders that don't have a strategy, and that is fundamentally why you fail. And strategy is pretty hard stuff. We grow up at the tactical level. We grow up with individual skills. Getting above that to get to sort of the strategic level – and I assume you're studying some of that – isn't easy, it's not easy to stay there, but it is absolutely vital. So I'm not arguing in leadership that your strategy should – because I've learned so much in failure – your strategy should be see how often you can fail and how much I can learn. It isn't that at all, but we're all human. You don't get it right and you work hard to move in the right direction, and then when you fail it isn't, quite frankly, that you fail; it's can you get up, dust yourself off, and get moving again? And do you have the reputation, do you have the depth, do you have the mentorship – you have leaders around you who see enough within you to be able to insure that you learn the lessons and then move forward.

So, again – and I've failed big time publicly in front of large groups of people, and interestingly enough, in one of the really big ones – one was when I was very young in command. I was 26 years old. I had my own ship – 100 sailors – and I was deployed – and I had basically taken my own ship across the Atlantic and into the Mediterranean in the early '70s. And it was something that just was remarkably challenging and fulfilling in many ways. But in the challenging, you know, I managed to fail and get in our systems, we have evaluations. Well,

the evaluation – and actually, even now, the belief is if you fail and if you get one of these evaluations that what I call – what I would call an F in the A-to-F class or school aspect of it, I got an F, from which I and others thought I could never recover.

So that is when I was young. One of the things I learned is that the Navy, in particular, which is the part of the military I was in, was it rewarded persistence. And I am a pretty persistent guy. And when I go after something, when I go after a goal – it took me seven years and seven to eleven years to come back and basically start to be competitive again. High-risk personal strategy, but it also is representative of some of the values that I found to be particularly helpful in the Navy at the time.

And then, another time, but that was a ship and a command that wasn't in good shape. And actually, it turns out it is a whole lot easier to take command of an organization that is not in good shape and improve it than it is to take command of an organization that is at the top and move it up. And I have had people strategize. I don't want to take that second one. It is too hard. And the second one, in fact – and I didn't recognize it. The second one, where I failed, I was much more senior. It was the best ship in the fleet. It was the one everybody watched. And then, I basically did a belly flop in front of the entire Atlantic fleet.

And there were those that kind of went, yeah, yeah, cheered in that regard. But I had a boss who saw something and said, well – I had a couple bosses that saw – well, there might be something here, and that allowed me to not get terminated by the Navy, essentially, and to be able to continue to serve.

So the failure piece is important. And again, I am not advocating failure, but it does happen and it is important that we learn. Part of my growth in the last few years has to do with – I spent a lot of time in business classes and looking at how world-class organizations do certain things. And one of the things I have learned – it has always been the case, but it has become very evident. It has always been the case is how do you pick – how do you pick good people? How do you know someone is going to succeed in an assignment? And it is a daunting task. And as I, particularly in these last – I have been a senior – an admiral since 1995. So in these last 13 years, the growth requirements – the hardest thing I do and get right is pick good people.

And the reason I talk about the business piece of this is I did a case study at a senior executive business leadership course that Navy participated in with both on the military and on the civilian side with civilian business leaders. And the case study we looked at was how to pick a CEO. And what struck me was that the average time in positions – in CEO positions for the last whatever the analysis was – with a goal of eight years – or eight to nine years was 2.7 years. And the extraordinary efforts that people go into to pick these people, and so what does all that mean?

It means it is hard. So I would just suggest to you that spending time in that regard is also really, really important – and understanding. Also leadership is only, in my view, in the world we are living in, is only – you are only going to be better if you are willing to work hard. It is not – whoever you are, whatever your talents are, there is a lot – you know, we all have a certain amount of natural talent. But it is not – it is not just the what –you-show-up-with piece.

In great part, it is how hard you are willing to work. And that is probably, more than anything else, underpinned with how you handle people, what you know about people.

There is not an organization in the world that doesn't depend – that is doing well or wants to do that doesn't depend on great people. So it is not – so one of the reasons I am endeared to opportunities like this to come up and talk about this because you are the future. And I know you are young, but it happens pretty quick. And what you are learning here and where you are headed and the importance of it – an importance of you in positions of responsibility in our country, in our nation – in our world, wherever you are from. I just can't – I can't overstate how critical that is.

You are what we will be in the future. So reaching, stretching yourself, understanding the business, working hard, and then making sure you take care of each other, making sure you take care of the people who you care about and who are, in fact, your responsibility in leadership position. Some of the things that I think about – you have got to be true to yourself. You have got to be able to get up in the morning, look yourself in the mirror, and be able to live with yourself. The issue of integrity, the issue of your word, the issue of how you treat people, the issue of walking – walking the walk, not just talking, and being the example, and being part of a team, which goes back to what I said earlier. What I found very early in the Navy was the team, the responsibility, the direction that we had and were constantly given by really good leaders when I had. And I am – I stayed in the Navy, quite frankly, because I had good leaders above me.

And I can't tell you the number of young officers who have left that didn't do that, that didn't stay because their first leader, their first commanding officer was – didn't match up. And they said – young people say, that is it, you know, that is this organization. I am not going to do that again. That was not fun. And they move on. And yet, you also need to be able to figure out how you handle a variety of leaders because there are varieties. And there are easy ones, there are tough ones, there are ones you match up well with, there are others that you don't match up with at all.

And over the course of your life, you are going to have them all unless you are going to go somewhere all by yourself. That is just – that is kind of how we grow up. So what are you – so what and how are – what are you going to do and how are you going to handle that when you get into a really, really tough situation? The other thing – as a leader, that I cherish is somebody that will tell me that the emperor has no clothes. Now, I, very senior guy, I recognize my position. One of the things that – when you make – when you make admiral, when you get selected for a position like this, back in 1995, you get a letter from each of the other 250 admirals that are in the Navy. And they say congratulations and all those things.

And there was one sentence in one of those letters that I will never forget after the congratulations. And he said just remember one thing. From now on, you will always eat well and you will never hear the truth again.

Okay, and I can tell you that wherever I go, you know, it is led with food.

In this country and actually, we are going to leave here and we are going to go eat.

But it is the second piece because everybody wants the boss to smile and everybody wants the boss to be happy. And for me, it is like – it is like gee, we hope you have forgotten all the hard problems that you had to work on when you were coming up through this organization and that life is grand.

So how do you find out? And this is a problem for – a challenge for any leader. How do you find out what is really going on? And the more senior you become, the more distant you get removed from what is really going on. So flatter, faster, more agile, more flexible, organizations, capabilities, systems, whatever it is – and then, how do you integrate the people into this at a time when everything is moving so quickly.

I sat in a meeting today specifically on something called cyber warfare. You might call it hacking or sophisticated hackers or even unsophisticated hackers. Very serious challenge for us in the Department of Defense. Actually, it is a serious challenge for us in the country. And it is a whole domain that a very – you know, few people really understand that a lot of us are going to have to understand a whole lot better. And probably the one part of the discussion that we have – and I am talking from a leadership perspective because it is hard to get leaders, old guys like me to understand what is going on on the Internet.

But the one thing I took – I took a bunch out. But one important piece is how do we move at the speed of light because that is kind of where we are on this. And if we don't move at the speed of light, somebody else is. And I am being disadvantaged. And in my business, being disadvantaged is not what I seek. And nor would I hope that you would want me to seek – being number two in the business I am in is not a great outcome.

So this is a whole new world. This is a whole new world that leaders, again, who didn't grow up through it have to have some – reach some level of understanding that there is a whole lot going on in that domain. And how do I pick the right people and then take the right steps when I am moving so fast and when the world is moving so fast. And it is not just – and this is a – I can just see, this is a wonderfully international audience. It isn't just about what is going on in the United States. It is what is going on in the world.

And one of the big adjustments right – and I will talk briefly about sort of three priorities and then I will open it up to questions. But where I spend – back to the strategy piece. So I come into this job and I say – worked pretty hard actually over a couple of months to say, what are the big pieces? One is the military strategy. I'm the military guy. I'm not the policy guy. I'm not the civilian leadership of the country. I am the military guy. So my lien is military strategy.

So the military strategy for the broader Middle East and that is from what I call Beirut to Tehran and certainly includes Afghanistan and Pakistan. The most challenging part of the world right now, the most unstable part of the world, and a part of the world that the entire world is not just dealing with now, but will have to deal with for the foreseeable future.

So what does that mean? And from the strategic standpoint. So what is your approach with respect to Iran? What is it with Syria, who is tied directly into what is going on and has been, will be for the foreseeable future into Lebanon? What about the al Qaeda network? What about the Iranian network? You have got Iran, the nation state, and you have got Iran, the state that supports terrorist activities and reaches to Lebanon and reaches into Hamas, and is tied in a network in way – you know, in one way, Iran is a state. Another way, Iran is a network. At a time when networks are becoming more and more potent and more and more – there are many more of them.

Obviously, included in that is we are fighting two wars right now. We have been in Iraq, and it has gotten a whole lot better. And I have been there a bunch of times and would just verify that for you, and I first started going there in '04. And then Afghanistan – and Afghanistan, the violence level is up. The poppy crop is up. The safe haven in Pakistan is getting safer. The governmental challenges in Afghanistan are huge. And one of the lessons that – from the leadership perspective that I have learned is it is vital. And this goes back to when I was young; I just didn't understand it as well as I do now is I have got to look at these problems through the eyes of the people that live there.

This is not going to be solved with an American view. So how do I see a set of problems that impacts so heavily in a certain area or a certain – in a certain way, how do I see it through other people's eyes? And the only way I can do that is to be there and to listen and to understand and become much more educated. So my growth, even in this job, is in great part tied to that. I have been to Pakistan six times – actually, five times since February. They are in the third government since February. It is a state that is in incredible – in which the challenges right now are incredible – not just the insurgency aspect of it. And they have lost some 600 citizens in the last three years to suicide bombers. But their economy is not going well either. I mean, the price of fuel, the price of oil – I'm sorry, the price of food, all those things that are affecting lots of countries worldwide is a big part of this, as well.

And in the end, all of this security stuff, the military stuff that we are involved in, it is about creating a stable environment in which stable economies can start to thrive. Money is fleeing from Pakistan. Money is fleeing right now from Russia, as examples. To create a stable environment, in which an economy can thrive. And this is tied to, for me, sitting down with parents all over the world whose number-one goal is to live in peace and to raise their kids to a higher standard of living.

So the military security aspect – it is not just military because security is tied to other parts of our government and non-government organizations in ways that we haven't thought of. But how do you create a secure environment, let people live where they want to live, who understand their own country, their own villages, their own tribes in areas that we don't, and then have them start to flourish and take care of themselves, including provide for their own security.

So that part of the world – the Middle East is one. Two is – so that is priority one. Get that right and then how to address it from a strategy standpoint, the military strategy, that is one. Secondly is what I call the health of our force. We are in our sixth-plus year of war. We are deploying – and this goes back to my time in Vietnam. And our concepts are different, but the

pace of our deployments – we are overseas now. Our Army is overseas for a year or 15 months. They are on their third or fourth deployments at this pace. The families are brittle. We have got an awful lot of families challenged with engagement with their kids. They are not getting – basically the time home is equal to the time deployed.

And we have never done this before at this pace, for this long, and in pretty – and in very, very tough combat. And in situations that, in fact – and the face of this war – and it is really important that all of us notice the face of this war are those almost 5,000 young people who haven't come home and their families, who have done – signed up willingly. You know, this is a volunteer force – willingly done what our country has asked them to do, paid the ultimate price, and that we need to make sure we reach out and take care of them.

So I do spend time with those families. And I do spend time at Arlington in Section 60. And I do meet those caskets that are coming back and arrive just down the road from here at Dover – and lots of others do, as well, to be reminded of what we are asking our young people to do. And I think I would go back to 1968 – the best, most capable, most inspirational group of young people I have ever been around is the military that we have right now. Truly extraordinary Americans from all over the world. And actually from many countries who want to become citizens, as well, who have paid the ultimate sacrifice, and some 20 to 30,000 who have been injured and whose lives have been altered forever.

And if you walked into a room at Walter Reed or out at the Burn Center at San Antonio there, you would be inspired by them and their families, and essentially their willingness and their desire to get back and to – and their views haven't changed. They still want the American dream. They want to have a family, want to raise kids. They want an education. They want their kids to have an education. And they want – they want to be employed. And the path achieving that American dream is getting a little tough – has changed, but again, they are inspirational. And I believe we, as a country, owe them that opportunity. And that for communities throughout the land, to reach out to these young people who have given so much and sacrificed so much and changed so much at a time, again, of rapid change that we, as a country, need to meet their needs to include sort of that American dream piece.

So the health of the force issue – the force is incredibly resilient. But we can't keep doing this for another six years at this pace. So we just started coming down forces in Iraq. We will – you know, I am hopeful we will continue to do that, conditions permitting. We are going to have to send more forces to Afghanistan. And we have got to get forces home to spend some time – more time with their families – more than we have been able to do. So that is priority number two.

And then number three is the rest of the world. It is a big world out there. And I can talk about China and I can talk about Russia and Georgia and all my friends in Europe. I can talk about what is going on in Latin America. We, as Americans, are not taught – I grew up in Southern California not very far from Mexico. I was trained to look east and west, not north and south. We don't pay enough attention to what is going on north and south of us, and I think that has got to change.

Huge economic engine in Latin America in Brazil. Tremendous transformational change in Colombia. Colombia is a country that basically in the last 10 years has – the leadership – President Uribe and with the military – they have taken back a third of their country, which they didn't own. The terrorists owned that. The drug lords owned that. They have taken it back now. A lot of press tied to this hostage rescue, but the real story in Colombia is counterinsurgency. I mean, there is a Colombian soldier that is losing his life every single day. There is a Colombian soldier – another one that is getting their leg blown off every single day. I have been to their version of Walter Reed, in terms of their rehab. But this is an incredible story. But a lot of it has moved to Mexico.

And you just Google, you know, Mexico, deaths, assassinations. And the numbers are staggering there. And it has all tied to the drug trade. So we need to pay a lot of attention there. We talk about borders all over the world. And I can talk a lot about the border between Pakistan and Afghanistan, although if you go there, nobody that lives there thinks there is a border.

Okay? That is sort of the Western view versus the view of the tribes that live there. And we can talk a lot about that and it is creating a big problem for us. We have our own challenge on our own border. And the problems are growing just south of us. I can spend a lot of time talking about places like Malaysia and Indonesia. And the entirety of Africa and what is going on there – this wonderful continent that is resource rich that has huge famine, that has disease challenges, that we all need to – that I believe the international community needs to address because they are all – those problems, those challenges are all headed our way.

So what do we do from the military standpoint? And my only – I will summarize quickly on that is it is called engagement. It is called preventative because I actually prefer to prevent a war, not fight one. And the way – one of the ways you do this is you engage. And so you may have seen – you may have seen in the last few years, humanitarian assistance with these big white hospital ships. We only had two. I wish we had 10. The impact that they have – and it is not just military because there are NGOs that have joined us.

I am very close to the director of Project Hope, which is a national and international organization that reaches out to core places across the world. So we engage. And we are a – we, the United States and other nations, as well, we are a resource-rich country. And part of that is – I believe is responsibility to reach out and positively impact in places in the world that are so much in need.

And then lastly, I can talk about India – another – when I focus on Afghanistan, it is very quick, you get to Afghanistan and Pakistan. Not too long after that, you get to Afghanistan and Pakistan and India. And there have been challenges there for a long time. In the United States, we think of our history as 232 years. Okay? I go to these countries and we start talking about history. And it is well, which century do you want to start talking about? Do you want to go back 500 years or 1,000 years or 2,000 years? And a lot of that is still current because it is passed on generation to generation.

So there are many challenges. That is just kind of a quick – a quick summary of what my priorities are, a little bit about leadership. And I would be glad to take your questions.

Sir?

Q: Hi, sir. My name is – (off mike). I am from Saudi Arabia. And speaking about – (off mike) – and not being able to hear the – (off mike) – position. What do you think – who is to be held responsible for the information that the government – (off mike) – bombs and they aren't finding any nuclear bombs. And do you think Iraq is unsafe?

Q: (Off mike.)

ADM. MULLEN: Which one of those questions do you want me to add?

I took this – I took this job over one – actually one year ago yesterday. And it doesn't mean – I was a member of the Joint Chiefs. I was one of the Joint Chiefs from 2005 to 2007 as the senior member in the Navy. Obviously, I have been around for a while, so I was – I was in and out of Washington at a time when this war started. Actually, I was in the building the day the plane flew into the building. And it actually flew in under my office. I was about 50 feet or 60 feet down the road in another office. But my – two of my – the immediate assistants were sitting there and they looked outside and saw that 757 come in under their feet.

And that was the day the world changed, as far as I am concerned. So lots of ways to discuss how did we get into this and what really happened. And a couple of thoughts on it. One is the – (inaudible) – has sorted on – one. Two is, in our country, in the United States, it is my belief that the American people hold the leadership of our country accountable over time. And we can talk about what that means and how that is done. And at the same time, I am not a policy guy. I live in a country – we live in a country that is run by the civilians. And that is – and supported by the military. The military is an apolitical, neutral organization that carries out the policies of the United States of America.

Those decisions are made by the president – I mean, lots of other people, but eventually by the president. And that was his decision. And it was the duty of the military to carry that out and that was done. So, you know, I don't get into debates about whether we should have or shouldn't have or what we found or what we didn't find. Actually, it is not my position to do that – one.

Two is, again, I am picking up as the senior military advisor to the president of the United States in 2007. And so I don't do real well with revisiting history. Quite frankly, in fairness, I don't know what happened. I wasn't in the meetings. So I can't – despite the many discussions that are out there about what happened and the views, the facts, you know, they are not – because I wasn't there, I really couldn't speak to them and wouldn't at all feel responsible in doing that. So I think it will be sorted out in time. My challenge right now is to carry out the policies of our president and to do that. And, in fact, what has had – what has specifically

happened is the tremendous improvement in Iraq, the growing challenge we have got in Afghanistan, and then the other challenges that I talked about that, from my perspective, I have got to both lead in and advise on.

MR. MULLEN: If you could just come to the aisle with your question?

ADM. MULLEN: I can repeat the questions, too.

Q: First, I would like to thank you for coming. And my question is what strategic thinker or strategic thinkers have had most impact on your thought?

ADM. MULLEN: The – when I talked earlier about the most – I believe the most important part of leadership and who we are, it is the people side. And what I find myself doing – actually, for many years, but certainly at this level, it is managing – what I call it is managing relationships. Individuals who get to this level all have pretty strong views. And so making sure we are all on the same page – I deal with four service chiefs who are members of the Joint Chiefs, I have a vice chief – all four stars. I have got a dozen or so four stars around the world that are responsible for parts of the world, whether it is the Pacific or whether it is Central Command or Africa Command or European Command. And they have all got views.

And so how I manage those to bring out the best result for the country, and how I then take my advice to Secretary Gates and President Bush is as significant a challenge as I have. So managing relationships. And in that regard, I have tremendous respect, almost unlimited respect for Eisenhower. And if you go back and look at the – not that he was – not that he did it perfectly – and he would be the one to tell you that. But his ability to manage relationships strategically at such a critical time in the history of the world, in addition to the history of our country, he has had as much, if not more influence on me in that regard than anybody. (Inaudible.) Go ahead.

Q: Yes, sir. My name is Preston Cole. In January 2007, we were all surprised by Iraq. We were extended without knowledge coming from our chain of command. As a leader, how to recover from failure and setbacks in regaining the morale and the trust among your subordinates?’

ADM. MULLEN: First of all – so you were in the 172nd?

Q: First – (inaudible) – sir.

ADM. MULLEN: Sorry, I wouldn’t want to confuse those two – and I know you wouldn’t either. Actually, the way you do that, I think, is you face it. You have got to go. You have got to go see the leadership. And in addition to that, and I talked about the challenges that we have and the incredible force that we have right now. We could not be even close to where we are without the remarkable family support that we have had – always been there, but it has been extraordinary in these years of war.

And so I think you go meet with the leaders and one, make sure you know that your discussion – that one, you listen to the concerns, and two, you are very straight with here is what happened, here is why we did it, we can agree or disagree that we should have anticipated it earlier or not. But I will tell you that that decision by – Secretary Gates made that decision in January – came in in December, so three weeks later, mid – that stabilized our rotational force like nothing else could do. And for those of you that would not know, essentially, the decision was made is we are going to go to a 15-month deployment, from then, what was 12. But it wasn't going to be any longer than that.

And if he had not made that decision, within three or four months, we would have been back at the table discussing 18-month deployments. At that time, that obviously meant those who were overseas, as you, were going to get extended. And that was to try to balance the needs, get into a predictable rotation, meet the war planes. Now, in everything we are doing, the mission is the most important. So how do you accomplish the mission? And this is at a time – this was at a time, obviously, preceding the surge, which started in about the summertime. Forces started to roll in a little earlier in the spring right after that timeframe. So I think you face it, you explain it and you work hard to never do it again.

And I will tell you that Secretary Gates – and I have been at the table since last October with him. The number of extensions that he has allowed beyond those rules are very, very few. We are just not going to do it. And then that forces the system to come up with different ways to meet the needs. So I think facing it, explaining it, in particular, explaining it to the people who it affects the most, as rapidly as possible. And then, doing everything you can to make sure that you are consistent with that policy – and unless something else happens.

Go ahead.

Q: (Off mike.) And I am curious to hear your opinions on the role of – (off mike).

ADM. MULLEN: The role of intelligence. This goes back to the question about what we knew – has dramatically changed. Since then – and it continues to change. And I think one of the great – one of the most important lessons of this – over the last several years has been the integration of ops, operations and intel – information and operations – merging in ways that we would never have imagined. And this goes back to flatter, faster – on the military side, I am living in a world – and I think this actually fits an awful lot of places.

I am living in a world where the information I get is what I call fleeting. And the amount of – both the amount of information I get, when I get it, and my reaction time is – has got to be, I would call it speed of light. And if I don't, I am going to find that – and particularly, if it is a significant piece of information that is relevant to where I want to go and I miss it, when I figure it out, it is going to take me a lot more effort to solve the problem I didn't solve when I saw it initially.

So that merger – and it is not just the – it is not just the information itself, it is the systems. So we are all – and the only way I know how to become faster and flatter is to be much more transparent. Now, we all grew up in a world where everybody held their cards here.

Nobody wanted to show – even in the same business, nobody wanted to show anybody else's cards. Everybody is protecting turf. I think the only way you can handle the world we are living in, in terms of getting where you need to go with things changing as rapidly, is be much more transparent.

There is this wonderful term in the IT world called open architecture. And when people say that to me, although it is not said as often as it used to be, I would ask what it meant. And unless somebody told me they were going to give up their crown jewels and put them on the table – meaning their proprietary stuff – they were confident enough to do that in order that they might learn, so they could move forward. It wasn't open architecture. So we all grew up in a proprietary world. It is not transparent. And the balance of that and how you create competitive advantage in any business, in any area is really tough.

But my belief is that it is healthy and it is risky to be – to be open and transparent. And I think more than anything else, we have learned that. And then systems start to support it in a much better way. So I – that is the world we are in. And in fact, in this discussion today about the cyber world, we talked a great deal about that. I mean, we deal in some very highly classified stuff. I actually – whenever I come back to Washington – I have been in and out of there a lot on various tours since the mid '90s. But whenever I come back, somebody always comes in and, you know, recertifies my clearance for all the programs in Washington. That is the last thing they say. Well, now you are cleared for everything. Nothing could be further from the truth. Okay?

I know that – it is actually when they don't say that that I will start to believe that I am cleared for everything because there are always compartments and always classifications. Well, how do I share really important, highly classified information with somebody else that needs to know it in order for me to operate and do it in a way that allows us to succeed when that individual – he or she isn't cleared? We have got to do more of that. And that is a trust issue. And so, who do you trust? Anybody? That is an issue you have got to be asking. And this is a real leadership challenge, as well.

So when I go to Pakistan – we sanctioned Pakistan for 12 years in the early '90s because of the coup, and that is what our – that is what the United States of America did. So I am there a lot now. We lifted those sanctions in 2002. But I don't have – we don't have a relationship with anybody in their military from sort of 30 years old to mid 40s because they have never been to America. They have never spent any time with Americans. And they have got a flourishing press evolving. And Americans aren't very popular there.

So I have a very difficult time connecting with the military – the Pakistani military because they don't trust us. They don't know us. So how do we do this? So who do you trust? And how do – and then how do you manage your risk across that trust? There is going to be some great lessons in this financial crisis about risk. I sat earlier this week with a, you know, a big muckety muck and one of the big financial institutions in our country – (laughter) – about – and what he told me was that there are areas that are creating risk that they had no idea – they hadn't even addressed risk in these areas.

And that is – you know, that is another point. Whenever – and this has happened to me almost my entire dull life. Whenever you are sort of sitting back and, you know, man, it is running well, and isn't it great? Stand by.

Because you are going to get crushed. Whenever you get that feeling, that is a red flag. When you get that, start moving. I mean, don't let that feeling sit with you very long because that is a threatening zone – at least, that is my experience. And when you start to –when you start to feel that way, just start asking questions. Is it really going this well? Nothing goes that well – nor can it be sustained. And again – and you have got to motivate your people to be able to do the same thing.

So again, it is transparency. It is feedback. These are so – and in the world of integration in our war-fighting capability, it is the single biggest thing that has happened in the last six or seven years. And it is – I certainly don't advocate creating conflict. But it – and in the – actually, in the business world because I have also dealt a lot with major contractors – major defense contractors. And there is this thing I call a near-death experience. And so how do you manage – how do you know when you are in a dying industry how to turn around? Do you have to come close to death to precipitate the juices, to come up with the energy and innovation for solutions? And this goes back to, hey, if it is going – you know, if it is just all going well, you need to be moving on. You need to be moving to the next level.

How do you take it to the next level? And how do you continue to change and innovate and get the best ideas? And I would argue back to where you are, you have got the best ideas, not me. And so how do you connect with me on those ideas, on what we should be doing? And when you are sitting there saying, why are we doing this? Or why aren't we doing this? Corral those few things and try to get them – get them up to the leadership to say, here are some ideas on how to move forward.

MR. : We have a question here on the side.

Q: How do you balance authority – (off mike)?

ADM. MULLEN: How do I balance authority and?

Q: And – (off mike) – your subordinates? (Off mike) – frustration when – (off mike)?

ADM. MULLEN: As opposed to?

Q: (Off mike.)

ADM. MULLEN: It is really important that they know who I am. I think it is expectations. And particularly, whenever you walk into a new situation as a leader, they are – I mean, when you do it, you can rest assured that the group is all sitting around just as you did before you got, you know, in another life waiting for another new leader to show up. What is he or she going to be about? What are his or her standards? What are their – what are your expectations? And to be very clear very early about that.

And as soon – at least, it has been my experience serving in the military, as soon as I draw the line and say, okay, these are the standards. Here is the line. One of the great joys of young sailors is within a day or two, somebody is going to say, well, does he really mean it? Okay?

And they are going to step right in front of me, right in front of the group, they are going to step across that line and say, so what are you going to do about it? Essentially, that is what happens. And if I don't do what I said I was going to do, then the line just moved and everybody else steps up to it, okay? So it is a new line. That process continues until I am either totally in a corner and entirely locked up, so I can't do anything. Or they understand where the line is and here we go. And there is nothing that people like to do – at least, it is my experience, there is nothing people like to understand better than where they really are.

So you don't – you can't keep them guessing. And you need to be brutally honest with them about performance. And staring somebody in the face and saying, hey, you are not hacking it for the following reasons, you are hacking it for the following reasons is a great boon to the individual because they know where they stand. And they know, then, not only – and it is my obligation, as a leader, not to just say, you are not hacking, but here is what you need to do about it.

And then, as opposed to what happens in far too many cases – someone walks in and they find out it is over, that they are no longer desired or they are no longer going to be employed or whatever it is. And that is brutally unfair to do to anybody. So letting people know where they stand and certainly, operating within your authorities – your legal authorities is very important, as well. And so you – but what I have tried to do throughout my career is have relationships with all of those in my chain of command, so they knew who I was and I understood what their concerns were. And I meet – I try to meet with them frequently.

So I am in the Navy, even though I don't – I am not running the Navy. I did that for a couple of years. If you ask me a question about the Navy, I am not going to get it right, right now, because I haven't spent a lot of time in the Navy. One of the great joys, though, this last year is learning a lot more about the United States Army because the Army – our Army is the center of gravity for our United States military. The Army and the Marine Corps have been the two forces that have borne the brunt of this fight in lots of ways. And so it has been a great joy to go out and sit down with an awful lot of soldiers around the country and in theater and listen to them and what their problems are, as well as their spouses. And we have some huge challenges.

I wouldn't know about that unless I went out and asked them and listened. And I still, as you can imagine, there are 2.2 million of them – individuals – who serve active and reserve and getting in touch with all of them is a real challenge. So how do I do that? I have got to do that through people. I can't do it all myself.

Yeah?

Q: Thank you very much for coming. My name is Brad – (off mike). I have a question about something that has been reported in the media a lot about the inability of the military to get new fueling tankers, and also the inability of our soldiers to get the care they needed at Walter Reed. And you talked a lot about accountability. I was curious who you hold accountable for that inability.

ADM. MULLEN: Let me talk about the second one first. What has been in the media has been, as far as care of the wounded – I think this is what you are talking about. It has not been about the medical care. If you had anybody in the world had the kind of injuries that are coming out of this with blast injuries, there is no place in the world you would rather be than Bethesda or Walter Reed, period – medically – because it is the best care in the world. It is leading edge.

And it is a combination of – and it is back to what we have learned in this war that essentially, if we can get you – we have got field hospitals all over Iraq and Afghanistan. If we can get you to a field hospital within an hour, almost no matter what your wound is and the severity are really, really – really, really – it really is severe because you are protected generally with body armor from the waist up. So it is limbs and head that, if we can do that, some 90 – 95 and 99 percent live if we can get you there. And that is from there, a few hours later, you are in Landstuhl, Germany, at the hospital there. A day or two later, depending on the severity of your wounds, you are in Bethesda or you are in Walter Reed, or you are out at the Verne Center in San Antonio.

The focus has been on the – what I will call the after care, the rehabilitation. Thousands and, in fact, when Secretary Gates – when this story – and this is – I get asked – sometimes, I get asked about the press and how do you feel about them. I feel very strongly – I was taught this very young and I believe this that the fourth estate is a cornerstone of our country. And so what Secretary Gates would tell you oftentimes – often enough, in questions that he gets – he gets to find out about problems that the press knows about ahead of him. And he takes that as a positive. This was one. And it was – it was the series of articles that came out in the Washington Post a year ago, February, I think it was, that really highlighted this.

And the accountability was that the secretary of the Army and the head of that hospital were asked to leave their job. We still have huge challenges here. It is the scope of the problem. It is thousands. And it is the injuries we see, but it is also the injuries that we don't see.

I was in – it is the traumatic brain injury, it is the posttraumatic stress and how you manage posttraumatic stress in combat environments that are brutal and that have changed – will change young people's lives for the rest of – they will never forget it. And we owe them a great deal. And so actually, last week, I was out on the West Coast. And for about six days – and part of that visit was at the VA hospital in Palo Alto. And I sat down with about 25 or 30 – mostly active-duty PTFs. They were in this posttraumatic stress program. And what bothered me – and I have been through programs over my career that deal with alcohol rehab, with drug rehab. And what most bothered me about this group of soldiers, and Marines, and sailors and airmen that I saw – from all services – was what they had to go through to get in this program.

And it was not unlike the near-death experience. They had it – it is like alcohol. You have the alcohol addiction – or being an alcoholic, you have to bottom out to finally wake up, commit to this. Well, too many of these individuals I saw last week had to bottom out to get into a program. And we should not – we should not be doing that – handling it that way. So we are – meaning we have got to figure out how to reach out sooner. A lot of complex issues associated with that, not the least of which is a stigma issue that I am sick. I have got a mental-health challenge, you know, that I need some assistance for. And raising your hand and saying I need that kind of help is not – it is not a natural act because of this stigma that is associated with that.

So we have got to make the stigma go away. It is my belief that we actually have to screen everybody, so you don't have to raise your hand. Everybody gets a meaningful screening, so we can understand the extent of the problems and what – because it can be addressed. And it can be addressed in a very positive – great programs to do that. So the accountability piece was really handled earlier by the secretary of defense.

And, in fact, for me in my position, I am, by law, advisor. I am a senior military guy, but I don't actually in this job command anything. So I advise him and I advise the president on what to do. But I think those accountable steps were very important. And you may have also seen – I don't know – a few months ago, where the chief of staff of the Air Force and the secretary of the Air Force both resigned tied to some significant challenges in the Air Force.

On the tanker side, I worry a great deal about being able to conclude the – to close the deal. Secretary Gates put it on hold because it – the latest iteration would have had him make a decision right before – potentially right before a new administration came in. He didn't think that would – he did not think that would be responsible, so he has put it off for a new administration to address. But between the requirement side – meaning the military saying I need this – and we do need this tanker. We do need – we do need to refuel our airplanes. We do this routinely.

And we can't carry out our missions without it. And the acquisition side, which is particularly challenging and expensive. We have got a long way to go to close that deal. And we have got to – I think there has to be a strategic relationship between the next administration, the military, Congress committed to getting this right and closing that deal as soon as we can when a new administration comes in. For seven years and to not solving that problem right now.

MR. : We have time probably for one more just quick question.

ADM. MULLEN: Two more quick ones.

Q: Good afternoon, sir. Jordan Greeho . Prior to this, I was working as a captain in Army G-3. And a couple of years ago, I was lucky enough to go to Donald Rumsfeld's farewell ceremony. At that, the current CJCS, General Pace, cited some tensions in between him and Donald Rumsfeld. I was wondering if you could speak about your current relationship with Secretary Gates and the president.

ADM. MULLEN: I have, again – and I actually get asked – I mean, I was in the building. I worked with Secretary Rumsfeld both indirectly for a number of years, as well as head of the Navy. But – and I get asked questions about both him and others. But basically, it is back to what I said earlier. There is an awful lot that occurred that a lot of people have no idea about. They weren't in the meetings, so depicting what happened, which is also happening, is pretty tough to do.'

What I have found – and Secretary Gates had this job. He came in in December and I came in in October – so 10 months or roughly, almost 10 months when I took the job over. And again, my job is principal military advisor to the secretary of defense, to the National Security Council, which are all a lot of the principal cabinet members, the Homeland Security Council – same thing for homeland security, and most importantly, the president of the United States.

And I have found Secretary Gates, that council, and also the president to be very open. I spend an extraordinary amount of time with them. And they seek and listen to and respond to my advice. That doesn't mean every piece of advice that I give gets followed. That is just not realistic. But I think – very important that that forums be there to do that. And I don't – nobody passes that along for me. I get to do that directly and be directly heard, which is the most important part of this position and the most important part, I think, of the civilian – the civilian control of the military with the military underpinning, in many ways, that relationship and the sort of the democracy and democratic principles that we stand for.

MR. MULLEN: Last quick question here.

Q: Hi, sir. Laney Farrell. I am just wondering – you talked about your second priority being taking care of the Army, specifically, because they are kind of getting, maybe, overused to a degree. And you are going to reduce the force in Iraq, but probably those are going to be shifted to Afghanistan. So what are we going to do about the year on, year off – because that year off is maybe six months in the field, six months at home. And it is not changing. The 43 brigades were supposed to get it to a point, where you had maybe a nine-month deployment. And that was planned since 2005. It is not really changing. Where are we moving forward with that?

ADM. MULLEN: And I did talk about the Army being the center of gravity. But I will tell you that all of the services have been pressed – the Army, Marine Corps. And oftentimes, we don't focus on the Marine Corps. The Marine Corps hasn't been doing 12 months. They have been doing seven on, seven off since 2002. And they are on their fourth and fifth deployments, as well. And the challenges are the same.

The president made a decision roughly a year ago to increase the size of the Army and the Marine Corps. The first battalion in the increased size, actually from the Marine Corps, deploys this month. The second one will be ready to deploy in the spring. So that will start to do two things – make more available to deployment and start to build some additional dwell time at home. We are at one to one notionally for both the Army and the Marine Corps, which is the same amount of time at home, as deployed.

The Army continues to grow. I am not going to have a brigade I can reach to and grab in the Army for another couple years to relieve them. So the challenge – and on that, basically, one to one – and actually, with some of my capabilities, I am well inside that. Since this war started, I have been focused on and understand that while you are home, you are doing other things, too, including not being in your home at night. And actually, I call that – and have for years – called that home tempo, not just not being deployed because you are training to get ready to go again, which is why it is so vital to build that dwell time.

We are not going to be able to significantly increase that dwell time – one to one – until we get down to an overall number of brigade combat teams and the enabling forces – the helicopters, the security forces, the medical forces, the engineers – those important capabilities – until we significantly reduce our force in Iraq, and obviously don't dramatically increase it in Afghanistan.

The first battalion in the Marine Corps and the first brigade in the Army that has been remissioned – that was headed for Iraq is now going to go to Afghanistan – Marines in November and the brigade in January. I am very hopeful that we will continue to be able to withdraw and get down to a number of brigades in Iraq. Security conditions continue to improve, where we are able to do both.

So we are in a very tenuous time here for the next 24 to 36 months based on the overall number of brigades – in the case of the Army – that we deploy. And it is going to take getting to somewhere – if you do the math, it is somewhere around eight to 10 – roughly eight brigades in Iraq that would allow me, as best I understand my requirements in Afghanistan, to start to do both.

But Afghanistan is not just about additional brigades and battalions. Afghanistan is about – is also about building governance. It is about solving the poppy problem. It is about – it is about energizing, enabling tribal leadership. It is about the economy there. It is about development. Afghanistan is a country whose total revenues this year – and we are just going through just perspective. This is – I haven't seen – what is the bailout number?

ADM. MULLEN: Seven hundred – still 700?

I just didn't see – I didn't see the numbers today on what it was. But to give you a perspective, the revenues – Afghanistan's total budget this year is \$8 billion. Their total revenues this year, about \$700 million. It is a very poor country. It is going to take us – it is going to take a long time from the development standpoint. And it is 34, 35 million people, lived a certain way for a long time. And so it is the security piece and then the development piece. So it is not – I, at this point, I don't see us – I don't – you know, the future is very difficult to predict. But it is these other pieces, which have to be built up and made more robust, at least, as much – if not much more so in Afghanistan than we have right now.

It is not just additional combat forces. The safe haven we went – we hit in Afghanistan at 9/11 – or after 9/11, has now moved from Afghanistan to Pakistan. Now, and the Taliban is

resurgent. We can't – my view is we have got to get Afghanistan in a position where that safe haven can't move back. And if I were to – (inaudible) – revenues, I would talk about when you compare Afghanistan and Iraq, Iraq has a surplus – budget surplus this year of somewhere between 60 and \$80 billion. So there is great potential in Iraq for the economy to grow and resources to do it. That is not the case in Afghanistan.

Again, thanks for – thanks for spending the time this evening. I would encourage you to get out and lead. I would also – there is some pretty exciting places and pretty exciting outfits having nothing to do with the military to serve a mankind that is in great need around the world, particularly for those of us who have been given so much. So I look forward to your leadership. I will be – you know, I will be sitting somewhere watching you and smiling at what you are doing in the not-too-distant future, as you lead us in a very, very challenging and actually, a time in the world that also has great opportunities.

So good luck and God bless.